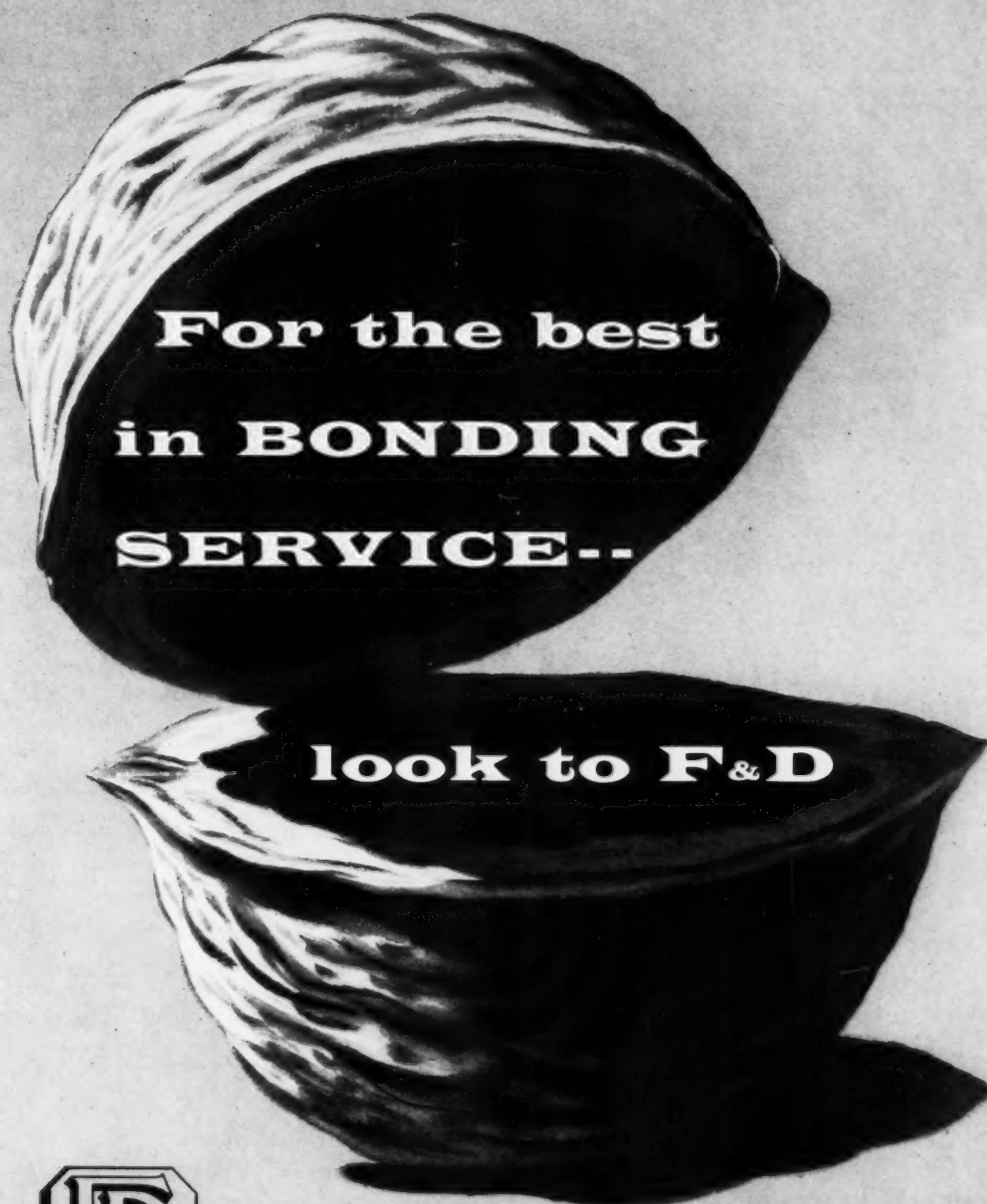


The NATIONAL UNDERWRITER

In a nutshell...



OUR 66th YEAR

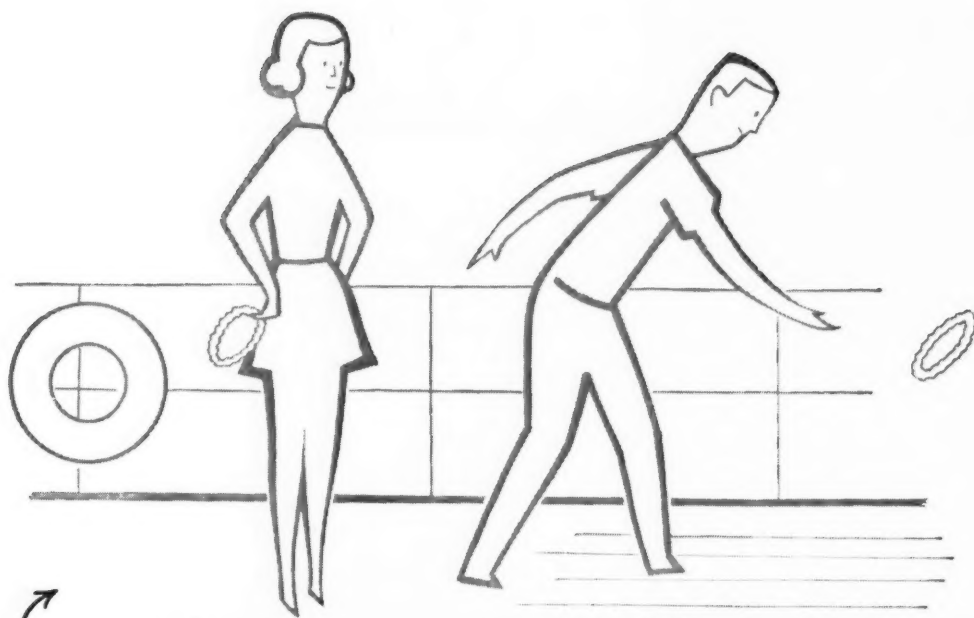
FIDELITY AND DEPOSIT COMPANY

Baltimore, Maryland

AFFILIATE: AMERICAN BONDING COMPANY

KANSAS AGENTS CONVENTION

THURSDAY, OCTOBER 27, 1955



↪ in Vacations

THE BEST VALUE SELLS

↪ in Insurance



The consumer wants the most for his money—in vacations, housewares, wearing apparel. From insurance he expects more value—in protection, security, service. Yesterday a policy would do; today it takes a combination of values. North America furnishes the combination you can sell—Broader policies for the insured; Financial strength for dependability; Wider service to agents; Progressive outlook for a secure market. For your needs, under one roof—NORTH AMERICA.

NORTH AMERICA COMPANIES

PHILADELPHIA 1, PA.

Insurance Company of North America

Indemnity Insurance Company of North America

Philadelphia Fire and Marine Insurance Company



Protect what you have

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 43
October 27, 1955

Bettering A&H Covers Is Big Topic at Louisville

**Underwriting Forum
of H&A Conference
Draws Attendance of 200**

More than 200 underwriters, medical directors and hospital insurance specialists met at Louisville this week for the annual underwriting forum of H&A Underwriters Conference.

Following welcoming remarks by John P. Hanna, conference managing director, and the underwriting committee chairman, E. B. Forsythe, Illinois Mutual Casualty, reports were made on the revision of three conference publications.

A. M. Hansen, Mutual Benefit H&A., presented a draft of the new edition of the underwriting report. He is head of a subcommittee that has reworked the popular 1949 edition. An index has been added and underwriting action has been revised.

J. T. Helverson, Washington National, reported that more than 140 companies are now using the occupational classification report put out by the conference two years ago. Mr. Helverson polled companies earlier this year for suggestions on revision, saying that "No major changes were requested by the companies that responded to the questionnaire."

The agent's underwriting handbook also has been revised, according to R. L. Davis, American General Life. A final draft is now ready and publication is tentatively set for December.

Another conference committee has been working on the development of material on substandard risks. J. M. Wickman, Mutual of New York, said that when the report is completed it will suggest a company adopt standard nomenclature as a basis for the development of an underwriting manual for its own use. Impairments will be listed by code number. In this manner, experience can be collected that will encourage liberalization of underwriting throughout the industry.

A guest speaker, Reuel C. Stratton, Travelers, discussed the "History of Underwriting in Nuclear Energy Plants." He cited AEC accident statistics and outlined special underwriting problems.

The second portion of Monday's program was under the direction of E. J. Rogers, Security Mutual Life of Nebraska.

Carl Songer, general agent Washington National, filled a traditional speaking assignment with a commentary on underwriting attitudes of field men. "I believe underwriters, not salesmen should teach underwriting." Supervisors should watch for signs of difficulties developing between home office underwriters and the field. If this develops, field people should be assigned to the home office as observers and

(CONTINUED ON PAGE 28)

Refuse Auto Dealers Licenses in Indiana, Motors Brings Suit

Motors Ins. Corp. is seeking an injunction against the Indiana department to prevent the carrying out of one of the last acts of Commissioner Harry Wells before he left office. Mr. Wells sent a letter to automobile dealers who passed the agent examination refusing them licenses, using his discretionary power under the section of the insurance code which says he "may" license an applicant. Motors, which names the new commissioner, William Davey, also wants to know the reasons for the refusals. Mr. Davey is supporting the Wells stand, it is understood.

Motors contends the department has gone beyond its statutory power and says any business man in good standing is entitled to sell insurance.

Mr. Wells' letter, it is understood, bases the refusal on several points in addition to the discretionary power, including:

Auto dealers are not primarily engaged in the insurance business, cannot devote full time to it and cannot keep abreast of changes.

Insurance purchases should be selective, there should be no element of coercion or tie-in with the purchase of an automobile.

Auto buyers in the past sometimes have not been informed as to the nature of their coverage; many did not realize they had only physical damage insurance.

There is the possibility of using the insurance commission as an indirect rebate by allowing the buyer a larger trade in.

**New Jersey Assn. of Insurance
Agents** will hold its midyear meeting March 12-13 at Asbury Park.

Miles Heads Tenn. Agents; Northington Goes on Deck

NASHVILLE—Insurers of Tennessee, meeting at Knoxville Monday and Tuesday, elected Russell Miles, Kingsport, president, succeeding J. Byron Taylor. Chattanooga State Insurance Commissioner Arch Northington, Nashville is first vice-president; Sam Arnold, Knoxville, second vice-president; W. P. Deese, Nashville, secretary; and Clifford Love, Nashville, treasurer. Discussion of the current liability policy sold in Tennessee as a protection to passengers and other occupants of a car involved in an accident featured a panel on the "Private Passenger Automobile Insurance Situation."

Following an address by Joe H. Bandy, on "A Look at the Automobile Situation," another panel discussion concerned the selling of business interruption, with Jack Elvis, Phoenix of Hartford, as moderator. Frank R. Reilly, Afco, discussed his company's plan of financing to meet competition. M. J. Whitmar, Dinerman & Co., Cincinnati, discussed "Your Answer to Direct Writing Competition."

The association is pressing a plan for getting "Insurer Insured" stickers on all automobiles with their coverage.

W. A. Alexander Named Ill. General Agents for Pennsylvania Fire

W. A. Alexander & Co. general agency of Chicago has been appointed by Pennsylvania Fire as supervisory agency in Cook county and general agents in Illinois. The agency also will be general agents in several Indiana counties for William Penn Underwriters department of Pennsylvania Fire.

WUA Holds New Kind of Meeting at White Sulphur

**Small Conference Groups
Take Up Important
Problems of the Business**

Members of Western Underwriters Assn. gathered last week at White Sulphur Springs for their first meeting under the new WUA constitution adopted last April. The officers were reelected to serve until October, 1956. They have already been in office 18 months, the last six months being due to the change in the annual meeting date from April to October.

Leonard Peterson, executive vice-president of Home, is president of



J. G. McFarland



Leonard Peterson

WUA, and the vice-presidents are Paul H. Barr, vice-president of Hanover, and P. S. Beebe, western manager of Hartford Fire. E. H. Born continues as secretary and manager.

WUA meeting procedure was radically changed at last week's meeting, in a manner that met with enthusiastic response. All the formal reports were dispensed with, and, after a short general session, the members split up into seven conference groups with about 10 at each meeting, discussing seven prepared topics, among which were deductibles, losses, non-member competition, public relations, and rating procedures. These meetings were confined to company executives and all of the members had been told in advance of their subject and most of them had done research prior to the meeting in order to make the discussion groups lively and informative and up to the minute.

After a full day of such sessions, the chairman of each group wrote a report in which were included the ideas and conclusions of their conferences. These reports were presented at a general session the following day that was presided over by John G. McFarland, American, chairman of the order of business committee.

While the company executives were holding their conferences, there was a separate conference of organization executives attended by representatives of Western Actural Bureau, Factory Insurance Association, Western Adjustment, Underwriters Adjusting, Grain

(CONTINUED ON PAGE 40)

Late News Bulletins ...

Mutual Bureau Offers 6-Month CPL-Auto

A six-month comprehensive personal and farmers CPL written in combination with an automobile liability policy written for a specified period of six months is being promulgated by Mutual Insurance Rating Bureau. The six-month form may be written either as an endorsement to the automobile policy or a combination policy which incorporates both forms. The new rule is effective Oct. 26 in 38 states and is pending in three other states.

Begin Action on Disaster Cover

Sen. Lehman of New York, chairman of the banking and currency committee which will hold hearings on disaster risk insurance legislation, has announced a tentative schedule of hearings. They will be held in Washington, D. C., and in the states in which flood damage was greatest—Connecticut, Rhode Island, Massachusetts and New York. He said the hearings will cover the whole field of disaster insurance and investigate the adequacy of insurance now available for natural and man-made disasters.

10% Peerless Casualty Stock Dividend Approved

Stockholders of Peerless Casualty have approved a 10% stock dividend payable Nov. 23 to stock of record Nov. 10. Stockholders also approved increasing authorized capital from 560,000 shares of \$5 par value stock to 1 million shares of \$5 par value. A total of \$250,000 will be transferred from surplus into capital so that outstanding capital will amount to \$2,750,000, made up of 550,000 shares of \$5 par value capital stock.

RAISES JURISDICTION ISSUE

Crafts' Statement Tells Why Fireman's Fund Officers Wouldn't Testify at FTC Hearing

James F. Crafts, president of Fireman's Fund Indemnity, made the following statement regarding his refusal to testify at the hearing before an examiner of the federal trade commission in San Francisco relative to alleged misrepresentation in the company's obsolete A&H advertising material:

"As announced when the federal trade commission complaint was issued in March, Fireman's Fund does not believe that the advertising material which we voluntarily sent to the commission last year contains any misleading statements. The commission's criticisms are highly technical in nature and the company has been unable to discover any evidence that any policyholder in any state has complained to any insurance department about its accident and health advertising. Before the FTC citation was issued, the commission was advised that the advertising voluntarily sent them for review was no longer in use because new policies requiring new advertising had been announced by the company some time previously.

"The Fireman's Fund insurance group has built up over a period of 92 years a reputation for integrity and fair dealing. Obviously, we would not

intentionally jeopardize this reputation by engaging in the activity alleged by FTC. Accordingly, even though we do not believe that the commission has jurisdiction, we made every effort to cooperate voluntarily with them and to dispose of the issues they had raised with respect to our advertising on some mutually satisfactory basis. Our efforts in this direction were of no avail. It appeared that the company was in a position of being required to admit that the commission's criticism of the obsolete accident and health advertising was justified, or to accept the fact that the commission had jurisdiction in the matter. We could not accept the first alternative because we believe the complaint was without merit, and to accept the second would have placed us in a position of aiding the breakdown of state regulation of the insurance business by the 48 states.

"Therefore, upon the advice of counsel, officers of Fireman's Fund Indemnity company, who were subpoenaed by the hearing examiner of the federal trade commission, refused to give evidence and to produce documents on the grounds that the commission had no jurisdiction to maintain the proceeding and to require the production of evidence. By this action Fireman's Fund was not only requesting but urging counsel for the commission to present the jurisdictional issue to the federal court for determination. If and when a final order enforcing the subpoena is confirmed on appeal, Fireman's Fund will furnish all relevant material and

documents and will be prepared at the same time to contest the proceeding on its merits."

Mr. Crafts also stated that special note had been taken of the statement made by the attorney for the FTC at the hearing on Oct. 17 to the effect that the commission does not recognize the authority of the California insurance

Federal Judge Hamlin at San Francisco has ruled that Mr. Crafts may be required to testify before an FTC hearing, the time and place of which is yet to be set. However, to enable the attorney for Fireman's Fund group to file an appeal before the U. S. court of appeals, Judge Hamlin stayed his order.

The order requires that Mr. Crafts must answer questions relative to charges made by FTC that Fireman's Fund Indemnity has disseminated misleading advertising in connection with its hospital and accident insurance. The company has denied these charges and contends that FTC has no jurisdiction to regulate advertising. Further, the company holds, California insurance laws are applicable not only to the company as a California corporation but also to its actions in interstate commerce.

Judge Hamlin took the position that the FTC, as a government agency, has the right to subpoena Mr. Crafts, take his testimony and then decide whether FTC has jurisdiction. The attorney for Fireman's Fund says he feels the FTC has an investigative right over the company, but no regulatory rights.

A request by deputy attorney general Harold Haas of California to file an amicus curiae brief on behalf of Commissioner McConnell was denied by Judge Hamlin.

The petition for a subpoena to get Mr. Crafts to testify was filed by John W. Brookfield Jr., an FTC attorney.

department and the statement of the commission that it had no jurisdiction in California arose solely from the fact that the courts had held that the commission had no authority with respect to intrastate transactions.

In his statement, Mr. Crafts again recorded the fact that the sale of personal accident and health insurance by the Fireman's Fund Indemnity company constitutes less than 1% of the total business written by Fireman's Fund insurance group. Also, that the companies do not sell insurance directly to the public, that all of the group's business is handled through agents and brokers who are licensed by the insurance departments of the 48 states.

\$9 Million Damage to Conn. Industries

A preliminary estimate by the Connecticut state government shows that 170 Connecticut industrial plants were damaged in the Oct. 14-16 cyclone floods to the extent of \$9,193,000. Norwalk reported \$4,236,600 damage to 47 plants, and Danbury reported \$1,988,750 damage to 56 plants. Ansonia, which was hit also in the August floods following Connie and Diane reported 26 plants damaged to the extent of \$1,979,200.

Total damage in the August floods are estimated at \$73,104,400 to 507 plants.

SEUA Meets Nov. 28-29

Southeastern Underwriters Assn. will hold its semi-annual meeting at the Carolina, Pinehurst, N. C., Nov. 28-30.

Rogan Succeeds Vande Zande as Wis. Commissioner

MADISON—Alfred Vande Zande, Wisconsin insurance commissioner



Paul Rogan

since June, has resigned for health reasons, and Paul Rogan, 37, Republican floor leader in the Wisconsin senate, has been named to succeed him. The new appointment has already been confirmed.

Mr. Rogan will resign Nov. 1 as a senator to take over the \$10,000 year job for the balance of the term ending June 1, 1959.

Both the resignation of Mr. Vande Zande and the appointment of Mr. Rogan came as surprises. Mr. Vande Zande was known to have been in poor health, and spent some time in the hospital here in December and again this summer just before taking over as commissioner. Mr. Vande Zande, who was a local agent and president of Campbellsport Mutual Fire until becoming commissioner, was named to succeed John Lange, a career man in the insurance department who has since applied for his state pension.

Mr. Rogan, whose appointment was commended by Wisconsin Assn. of Insurance Agents in a resolution adopted at the annual meeting last week in which Gov. Kohler was congratulated on "the wisdom of his choice," has no insurance background. He has been a legislative lieutenant of Gov. Kohler and steered the governor's legislative program through the senate in the last term. Mr. Rogan at one time sold some life insurance on a part-time basis, but his main occupations have been the feed store and hatchery proprietor and more recently as the owner of a beauty shop and as public relations representative for a big north-western Wisconsin cooperative creamery.

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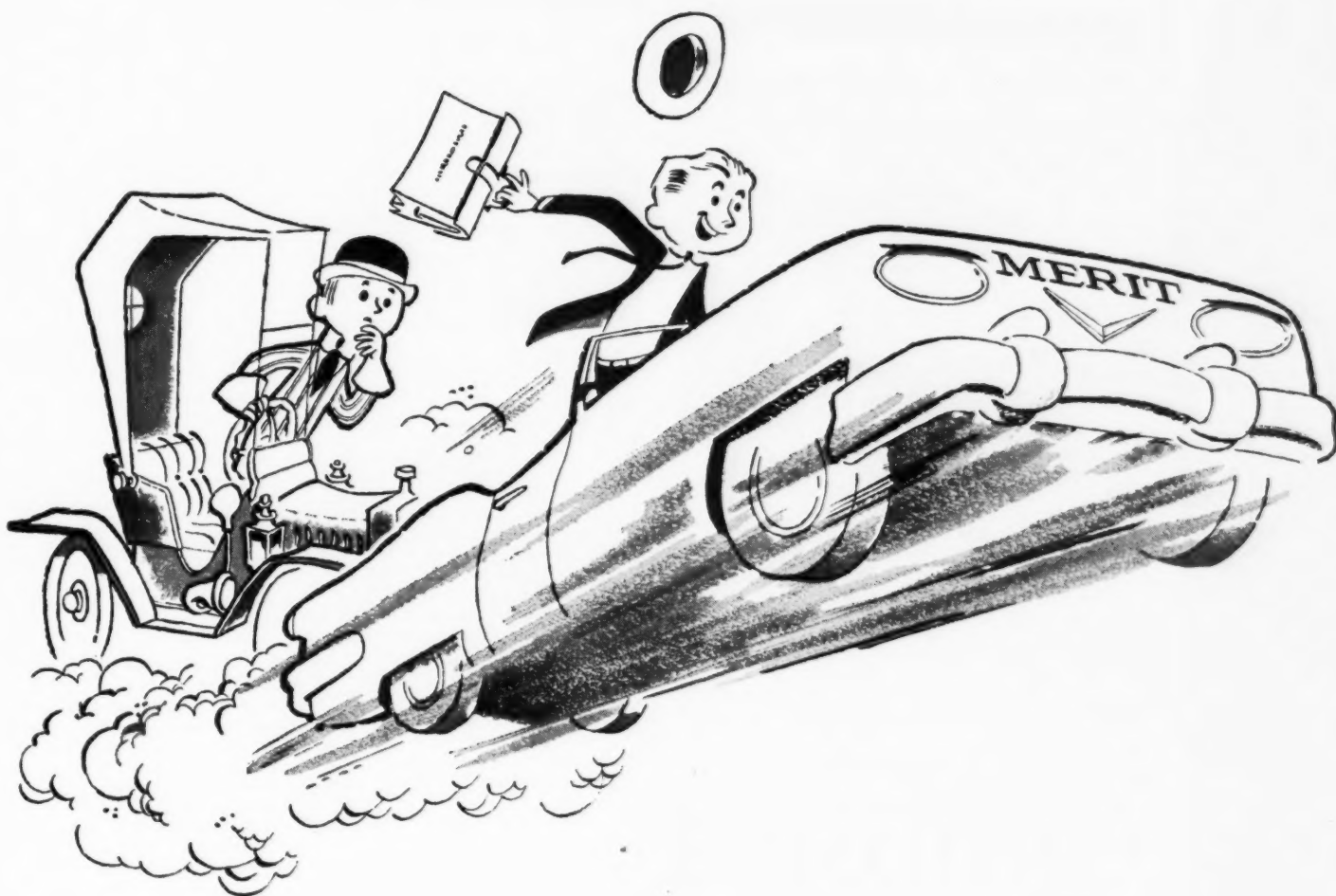
1 Seething Lane, London E. C. 3

For Brokers • Agents • Companies

Highlights of the Week's News

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Some praise optional EC deductible	Page 15
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H. T. Johnson predicts simpler reports on sprinklered risks	Page 31
Fire losses up in September	Page 31
State Fund of New York asks high court to review hearing loss	Page 23
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\$900,000 from Missouri rate case to go to state	Page 12
Urges program to combat industrial noise hearing loss	Page 33
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Nell Durham to helm of New Mexico association	Page 13
German buyers compare notes with U. S. counterparts	Page 32
Mutual agents set up company liaison standing committee	Page 32
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A. B. Jackson tells how close business is to insuring atomic risks	Page 4
Maryland agents elect H. H. McFarlin	Page 4
Indiana department refuses to license auto dealers; Motors brings suit	Page 1
Program set for Mutual Alliance rally at Chicago	Page 40

Here's your HIGH OCTANE policy!



■ Zurich-American's new Merit Automobile Policy has built-in sales appeal to bring you increased volume and earnings—same time give your clients *more* value, *greater* protection for their automobile insurance dollar. Approved in most states... it's far broader than the Standard Automobile Combination Policy... and insureds may pay 1/2 premium on effective date, balance in 6 months *without carrying charge*. Lower rates for safe drivers, too, under our Merit Classification Plan.

Contact the nearest Zurich-American branch—
or the head office—and start cashing in!

YOUR BEST SALES BET IS THE *Merit Policy!*



ZURICH INSURANCE COMPANY • AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY • Head Office: 135 S. LaSalle St., Chicago 3, Ill.

Homeowners Policies Make Lively Discussion at N. Y. Agents' Forum

Discussions of selling homeowners policies and the details of the C policy brought lively floor participation at the downstate regional meeting of New York State Assn. of Insurance Agents at Garden City.

Myron W. Bergen of Easton, Pa., presented the advantages of homeowners A and B and the methods he has found effective in selling them.

Homeowners policies offer better service opportunities to the client, they keep and improve present business, are a new way to obtain new business, cement company-agent relations and are an automatic preparation for changes in policies.

To expedite sales, an agent must have personal preparation and then determine the eligibility of the prospect. The key to the problem in selling is the mental attitude of the agent. If he has mental blocks or prejudices against the policies, he cannot sell them.

The best way to get acquainted with the policies, Mr. Bergen has found, is to talk to a special agent who is sympathetic with the agent's problems. Ask him, he said, to make up three packages, each containing specimen policies, one A, one B, and one C. When he brings them to the office, the agent should take them out and study them, compare the differences between the coverages and keep the specimens with him to review or to show clients.

He suggested that the agent sell himself the first homeowners. To do this he should compare the policies he now has on his house and decide which homeowners form he wants. He said he did this and found he could combine all the policies he had on his home in a homeowners B—and at a lower premium.

Everyone who has a home is not automatically a good or desirable prospect, he said. The agent should test the prospect with a few criteria such as, can he afford it, is he a good moral risk, will he be willing to buy adequate insurance for his home or household furniture, and will he buy comprehensive personal liability.

The easiest place to start is with immediate expirations, he suggested. Make a list of these and then continue to list expirations so that there is always a permanent list of prospects available.

During the past 18 months, he said, he has sold 136 homeowners policies. Of the last 48 contacts, 45 were contracts. These three who did not buy were one man who was moving, one who did not have the money, and another who is trying to make up his mind. He delivered all three policies but more Bs than either of the others. Some Bs have the all risk endorsement.

Of the 136 policies sold, 44 were new clients. This shows that the potential for homeowners sales, he said, is almost limitless. But the agent must get out and sell.

Of immediate prospects, the agent should select those for whom he knows he writes all the insurance. List the policies they have in force, determine what their investment is, determine the pro rata return premium, make an appointment and then sell, he said.

When the agent meets a client who has fire and extended coverage and fire coverage on contents, try selling him on CPL, he said. Start to build. The agent should not talk about homeowners until he can convince the pros-

pect he needs CPL. Then explain what he would save on homeowners, emphasize the difference between replacement value and actual cost, show him there is one policy, no fuss, no bother, and explain the selectivity of premium payments.

Insurance advertisements recently have stressed the "save up to" idea. Don't mention this when the client is

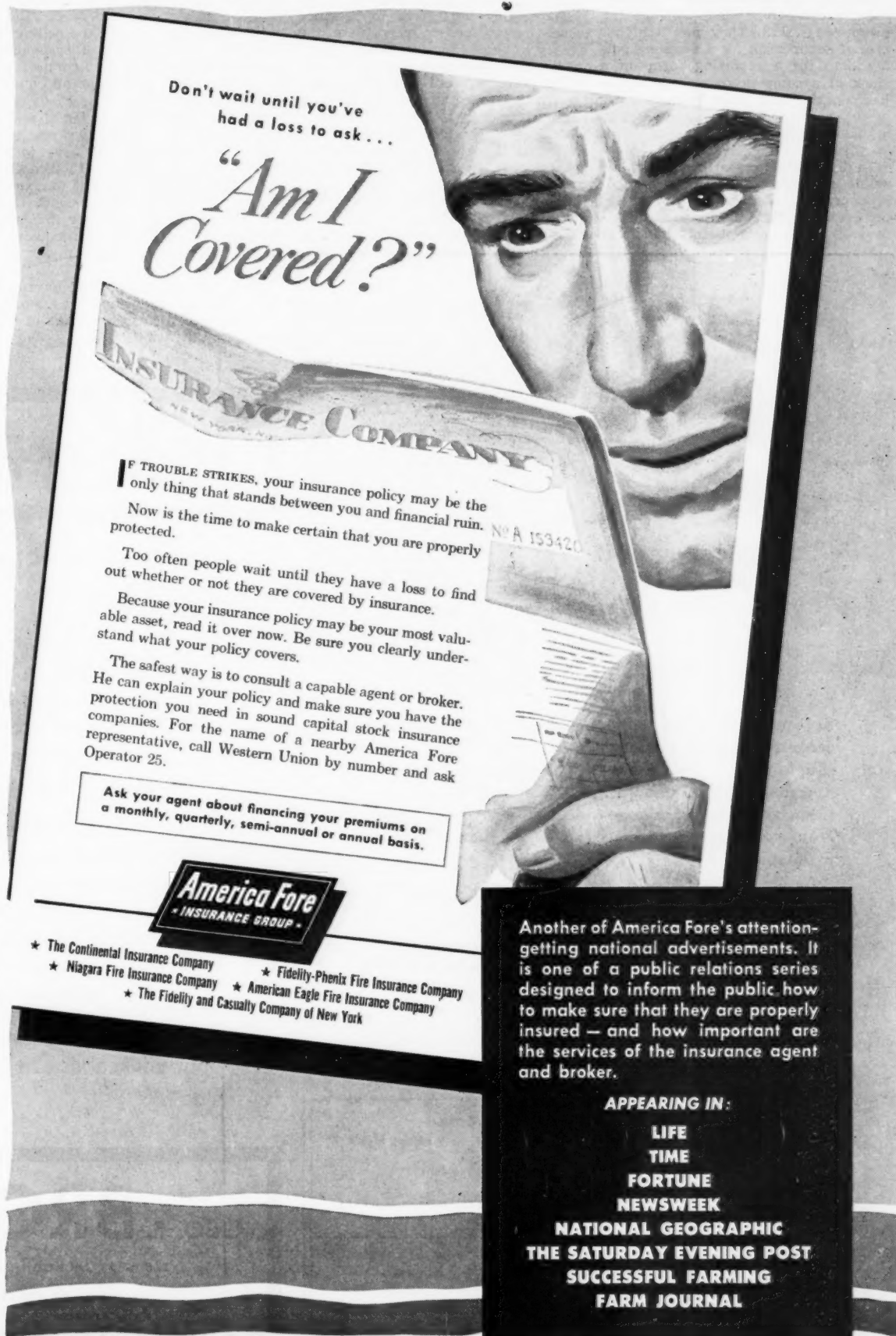
approached, he said. Stress the value of the policy, not the "saving up to," and the client will probably end up investing more dollars in a homeowners policy than in his individual policies, because he's going to realize how much more he is getting for his money. Don't tell him he's going to "save up to" anything, he said, it isn't true.

To get better results, don't try to merchandise insurance like a bargain basement. Sell it really—do the opposite of what everyone else is doing—and the client will buy.

In making a presentation, he advised agents not to anticipate too far ahead. If they're not too sure of the ground, ask the client some questions, find out what's in his mind.

In presenting a homeowners policy the agent will run into some natural barriers, he said. He will have to decide what to do with current insurance. It should be cancelled if possible, since the client can probably save, even with short rate cancellation. If there is a mortgage, he advised, tell the client

(CONTINUED ON PAGE 22)



Don't wait until you've had a loss to ask . . .

"Am I Covered?"

INSURANCE COMPANY

IF TROUBLE STRIKES, your insurance policy may be the only thing that stands between you and financial ruin. Now is the time to make certain that you are properly protected.

Too often people wait until they have a loss to find out whether or not they are covered by insurance.

Because your insurance policy may be your most valuable asset, read it over now. Be sure you clearly understand what your policy covers.

The safest way is to consult a capable agent or broker. He can explain your policy and make sure you have the protection you need in sound capital stock insurance companies. For the name of a nearby America Fore representative, call Western Union by number and ask Operator 25.

Ask your agent about financing your premiums on a monthly, quarterly, semi-annual or annual basis.

America Fore
- INSURANCE GROUP -

- * The Continental Insurance Company
- * Niagara Fire Insurance Company
- * Fidelity-Phenix Fire Insurance Company
- * American Eagle Fire Insurance Company
- * The Fidelity and Casualty Company of New York

Another of America Fore's attention-getting national advertisements. It is one of a public relations series designed to inform the public how to make sure that they are properly insured — and how important are the services of the insurance agent and broker.

APPEARING IN:

LIFE
TIME
FORTUNE
NEWSWEEK
NATIONAL GEOGRAPHIC
THE SATURDAY EVENING POST
SUCCESSFUL FARMING
FARM JOURNAL

Commissions Not Paid on Basis of Work, Gallagher Suggests

The sliding scale of commissions probably is backwards, Eugene F. Gallagher, manager of the Chicago office of Planet, suggested in his talk at the annual meeting of Massachusetts Assn. of Insurance Agents in Boston.

Companies pay a higher rate of commission for an ordinary automobile policy than they do for a complicated industrial risk which actually requires the agent to extend his knowledge and professional skill. They pay a higher rate of commission for a dwelling policy than for a reporting form on a stock of a complex mercantile establishment, he said. Then in most parts of the country direct writers go after automobiles and dwellings—could it be they are wrong, he asked.

In discovering or reaffirming the absolute necessity of effecting over-all economy, the merchandising field has done no more than the insurance business is doing except merchandisers

have done more than just talk about it, he said. Certain appliance dealers are sacrificing a small part of their independence in the interests of economy. General Electric, for example is extending the number of regional warehouses, foreseeing the day when the retailer will no longer find it necessary to maintain an inventory. The retailer loses some of his independence under this system, but he stays in business.

Perhaps insurers should take a lesson from that, too, Mr. Gallagher said. With the present high cost of operation, perhaps they will have to sacrifice some prerogatives to perpetuate the agency system. New electronic equipment, new package policies, even-dollar premiums—all will play a part in effecting essential savings, he said. Some changes will have to be made which presently look distasteful. He fears that if economy in operations is not effected, the road ahead will be pretty rough.

Some companies already are negotiating with a contract which provides virtually complete protection. It

is proposed to provide against all loss occasioned by damage to or destruction of property from almost every conceivable peril and including, in the coverage, records and accounts receivable, and providing against loss consequential upon the inability to utilize property.

When the complete protection is available under one all-embracing contract the client's entire insurance program will be at a predetermined cost per year or per month which can readily be incorporated into the manufacturing costs or cost of operation, he said.

When that day comes the selling of insurance will be such a specialized and demanding field that competition can come only from trained and qualified representatives.

But in the meantime a plan of action to combat the direct writers and specialty companies will have to be agreed upon, he declared. First, agents must convince the buyer of the worth of the agency service. Second, they will have to make up their minds to create premiums by selling such coverages as business interruption and accounts receivable.

Also, ways must be found to reduce the cost of the product so that the price can be brought nearer to that of the competitor, he concluded.

Douglass Heads GAB in Southeast, Raine Named Assistant

Paul M. Douglass, formerly executive assistant, has been appointed manager of General Adjustment Bureau's southeastern department succeeding Roy G. Bachman, who is now assistant to the president. George B. Raine has been designated associate manager.

Mr. Douglass joined Southern Adjustment Bureau, predecessor organization, 30 years ago and was first assigned to Atlanta. Four years later he transferred to Albany, Ga., as manager. In 1949 he returned to Atlanta as a member of the southeastern department executive staff.

Mr. Raine joined Southern Adjustment Bureau in 1919 at Atlanta. In 1929 he transferred to Nashville as manager. In 1942 he returned to Atlanta as assistant general manager of the southeastern department.

State Auto Plans H.O. Addition

COLUMBUS—State Automobile of Columbus has purchased the land next to its present building at Broad street and Washington avenue at which it plans in time to erect an addition to its five-story building.

"SHORT WRITE" MAKES SHORT WORK OF POLICY PROCESSING!



Save up to 25% in personnel costs by swifter, more accurate handling of policies with "Short Write". One simple format designed for *all* the lines you write — Automobile . . . Inland Marine (Personal Lines) . . . Casualty . . . etc., guarantees this saving. AND conversion from your present formats can be *painless* as well as profitable!

Find out *now* how the "Short Write" Policy Plan can cut costs for you!

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- ☐ Send me the "Short Write" booklet.
☐ Have your representative call.

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City _____ Zone _____ State _____

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We are grateful for the growth in size and scope which your patronage has brought our organization, and will never forget that painstaking personal attention to each agent or broker's problem is the essential ingredient for continued success.

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32 CLIFF STREET • NEW YORK

Big Texas City Case Involving Explosion Cover and Coinsurance Lost by Insurer

Litigation involving a substantial sum of money and growing out of the Texas City disaster has been decided by the U.S. district court at Galveston in favor of insured, in *Texas City Terminal Railway Co. vs American Equitable and others*. (8CCH, fire and casualty 782). When the S.S. *Grandcamp* caught fire at Texas City and its cargo of ammonium nitrate exploded, the facilities of Texas City Terminal Railway were severely damaged, to the extent of approximately \$500,000 plus damage to goods of others stored on insured's premises of approximately \$19,600,000.

The railway company had a blanket policy in American Equitable for \$2,300,000 insuring against explosion. The policy insured against all direct loss for damage caused by the explosion whether originating on an insured premises or elsewhere. There were eight blanket fire policies for \$1,450,000 on property of insured generally except that specifically insured. A ninth fire policy for \$857,000 insured certain properties specifically.

American Equitable denied liability and insured sued. American Equitable impleaded the fire insurers, Aetna Fire group, which in turn impleaded a large number of parties who had lost goods on the premises of the railway company. The latter parties affirmatively disclaimed interest or defaulted.

The biggest single controversy was whether or not the damage to the railway facilities came within the explosion cover. The court held that it did since it was the explosion and not the uninsured fires aboard the *Grandcamp* and S.S. *High Flyer* which caused the damage to the property. The court contended that the fires aboard the ships were not fires within the meaning of any fire policies held by the railway company. Consequently the explosions resulting from ship fires could not be considered as incidental to any fire coverage under the railway company's fire policies.

The explosion policy contained a 90% coinsurance clause and also covered interest of insured in or liability for similar property belonging in whole or part to others and held by insured, either sold but not removed, or for repairs, or otherwise held.

American Equitable contended that its explosion policy covered all of the goods of others on the insured's premises, or that insured was actually liable for the loss of the goods of others, which should be added to the coverage of the policy. After adding the total value of goods of others damaged or destroyed, the 90% coinsurance clause should be applied to reduce the railway company's recovery under the explosion coverage.

The court refused to sustain the contentions of American Equitable. It contended that the primary intent of the policy was not to insure the property of others but the liability on the property of others.

If the policy did insure the property of others, the court pointed out, the liability clause provision was nevertheless inapplicable. The railway company's tariffs, filed and approved by the ICC, indicated that it carried no insurance on goods of shippers except on request and at the shipper's expense. These tariff provisions were held to be controlling over the terms of the policy if the policy were interpreted to insure the goods of others. The court also held that warehouse receipts issued by the railway company

excluding store goods from coverage were competent agreements to remove the property of others from insurance if in fact it was covered. Failure to produce extrinsic evidence in this regard to prove and identify the goods claimed to be within the coverage of the policy was fatal to American Equitable's contention, the court held.

Further, the court held, not only did the policy not cover the goods of others,

but it did not cover any actual liability for the goods of others; this, on the theory that cargo in the course of commerce was not "similar property" to insured's facilities within the meaning of the liability clause of the explosion policy. In any event, the court stated further, the railway company was not liable for the damage to goods of others because liability had been affirmatively disclaimed. American Equitable failed to prove such liability.

It was on similar argument that the court held that the policies of Aetna Fire were inapplicable.

The court denied a motion for a new trial.

Wigley, McLeod, Mills & Shirley, and Preston Shirley of Galveston appeared for insured; Austin Y. Bruan Jr. of Houston for American Equitable and Colonial Assurance of the Corroon & Reynolds group; Thompson, Coe & Cousins, Will C. Thompson and R. B. Cousins of Dallas for Aetna Fire, National Fire, Norwich Union, Travelers Fire and Yorkshire; and Fullbright, Crooker, Freeman, Bates & Jaworski, and Newton Gresham of Houston for Pacific Fire and U. S. Fire.

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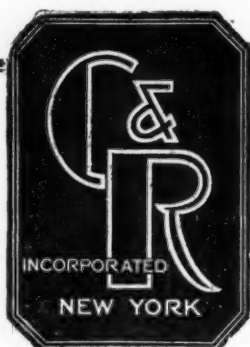
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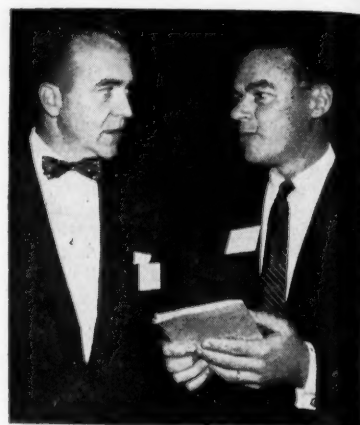
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**Wisconsin Speakers
Discuss A&H, Rate
Filing Procedures**

"If the insurance industry does not provide the American public with adequate health insurance on a voluntary basis, the government will," was the warning sounded by S. L. Horman, president of Time Ins. Co. of Milwaukee, at the Wisconsin Assn. of Insurance Agents convention last week at Milwaukee.

"And, if the government removes disability insurance from the present competitive voluntary system and places it on a compulsory basis, it will be only a matter of time before the entire insurance industry is similarly threatened."

He said most agents who do not sell A&H do so because of a lack of understanding of coverage and the existing potential. He outlined the rapid growth of A&H since 1920 and said premium volume was \$85 million during that year and had increased to almost \$4 billion in 1954. He said premium volume of A&H on an annual basis was second only to life insurance and would eventually be in the number one position in the insurance industry. He said A&H annual premiums would reach \$17 billion if the industry could



John J. Batenburg of Racine, re-elected president of Wisconsin Assn. of Insurance Agents (left), and Paul Mast, executive secretary, discuss future plans at the convention at Milwaukee. Photo by Urban Krier, assistant Milwaukee manager for U. S. F. & G.

adequately reach the present market.

He pointed out that the A&H business still had improvements to make in coverage, such as the acceptance of sub-standard risks, major medical, more non-can contracts, tolerance in effecting terminations and waivers and providing broader coverage for the over-aged.

He said the two most important advantages in A&H underwriting are tax free benefits and tax-deductible premiums when employer paid. But those are selling advantages, he said. As far as the agent is concerned, one of the most important aspects of A&H is that one of four policyholders will have a claim every year.

"This means personal contact with your policyholder," he said, "and what more could you ask to combat direct writer competition?"

"This phenomenal growth is not the result of an accident but due to the fact that our citizens have become increasingly security-minded," he said. "But there is even a more impelling reason for A&H protection—the day to day existence of the average citizen. Because of our high standard of living and higher taxes, the average man is living from paycheck to paycheck. When the average person is no longer



Orville Morse of Janesville, oldest living past-president of Wisconsin Assn. of Insurance Agents, pictured at last week's convention with his daughter Edith and Mrs. Morse. Mr. Morse was association president from 1907-09 and active when it was founded in 1899. Photo by Urban Krier, assistant Milwaukee manager for U.S.F.&G.

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able to work because of sickness or injury, his personal economy is jeopardized more today than ever before.

"Just as we have evaluated and insured against loss of life through life insurance, it is now more essential than ever before that we adequately insure against threat of economic death that results from disability," Mr. Horman said.

Charles J. Timbers, deputy commissioner of Wisconsin, presented an explanation of the "why and how" of rate filings. He outlined the steps taken by the department in rate filings and said the department now uses a consolidation of the reports of three statistical agencies to determine the premiums written and losses paid for the various classes of risks outlined in the statistical plans. He said the department converts this experience into the proper ratios through the use of expense exhibits and annual statements filed by companies. "Plans are being made to obtain this information by class of risk," he said, "but to date they have not been adopted." After a discussion of losses under various classes of risks, he said the department is trying to get each class to stand on its own feet. "The rating bureau, however, does not entirely agree to our position that rates are to be adjusted by classes," he said, "particularly the classes rated under the analytic schedule."

He said one phase of the rating law which should be of interest to agents is the one which provides that a filing and supporting information shall be open to public inspection after the filing becomes effective. "This means that the commissioner cannot consult with agents or company officials on the effect of the filing until it becomes effective," he said, "and once it is in effect, it takes a cumbersome legal procedure to disapprove it." He suggested that agents should urge a corrective measure which would enable the commissioner to consult with non-department persons on filings.

"There are instances when a rating bureau or company contacts the insurance department before making an official filing," Mr. Timbers said. At the present time, the bureau has proposals pending which would increase the minimum premium from \$5 to \$10 and introduce the \$50 deductible clause on extended coverage and windstorm policies covering dwellings. These proposals have not been filed. At the present, it appears that the deductible will not be applied to mercantile or manufacturing risks or to contents of dwellings.

Mr. Timbers urged the agents to continue their cooperation with the department despite the additional work necessary to carry out the objectives of the rate regulation statutes.

GAB Makes Pacific Department Changes

General Adjustment Bureau has made several personnel and branch location changes in its Pacific coast department.

D. M. Thomson, branch manager at Bakersfield, Cal., has been named manager at Denver to succeed George H. Cross, who resigned. Mr. Thomson joined GAB in 1952 after 15 years as branch manager for Western Adjustment and marine manager for an independent adjusting firm.

Clyde D. Paige will succeed Mr.

Thomson at Bakersfield. He joined the company in 1941, was assigned to Bakersfield in 1946 and promoted to branch superintendent there in 1949.

George F. Sidebotham has been named manager at Santa Monica to succeed Clinton Campbell, who was named manager at Las Vegas. Mr. Sidebotham joined GAB in 1945 at Los Angeles.

John W. Stout has been appointed resident adjuster at Astoria, Ore. He has 22 years of insurance experience with some 12 years of that time in the adjusting field. He joined GAB at Portland, Ore., in 1953 and spent the

last year in the company's eastern department working on 1954 hurricane losses.

GAB's Santa Rosa branch has been moved to 2409 Midway drive, P. O. Box 2127, and its Colorado Springs office is now located at 120 East Morena street, P. O. Box 52. Both new offices are larger and have better parking facilities.

Dr. J. M. de los Reyes, a member of the California state medical board, addressed Casualty Insurance Adjusters Assn. of Southern California at Los Angeles on "Quacks and Charlatans."

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Two More Zurich Films Win Prizes for Safety Promotion

Zurich and American Guarantee were awarded a bronze plaque by National Committee on Films for Safety "for producing the best sound-slide film in the field of traffic safety in 1954." Robert D. Hodson, assistant U.S. manager of Zurich, accepted the plaque from John B. McCullough, chairman of the national committee, at the National Safety Congress in Chicago last week.

The prize film, "Face to Face," depicts—in dramatic and imaginative fashion—the efforts of police to apprehend a hit-and-run driver.

A Zurich sound-slide film on safety in the small shop, "Heads You Win," won honorable mention.

The awards marked the 11th straight year in which one or more Zurich productions have been honored.

"Face to Face" and "Heads You Win" are two of the more than 70 safety and health education films included in the Zurich "Safety Zone Program"—a service feature for workmen's compensation risks and a promotional instrument for agents.

Engineers Take First Aid Training at Annual

Field engineers of Carolina Casualty have completed both the basic and advanced Red Cross first aid courses taught by a highway patrolman. The course was a part of the annual meeting with headquarters personnel of the company, during which time they further acquainted themselves with new developments in accident prevention and expanding operational procedures of the company.

George E. Gornto, 1st vice-president, said the first aid instructions will enable engineers "not only to be of greater assistance and value to the people we represent in insurance but the general motoring public as well."

The engineers safety patrol cars will carry fully-equipped first aid kits and appropriate insignia, designating the operator as qualified to render this service.

Birkenmeyer Named V-P of United Pacific

Carl B. Birkenmeyer has been named vice-president and elected to the board of United Pacific.

Mr. Birkenmeyer started his career with United Pacific and for 11 years held positions at Seattle and Los Angeles. For the last 13 years he has been with American Automobile most recently as resident vice-president at Seattle.

Stevedoring Firms Lose Attempt to Refix Rates from 1948

The New York appellate court, first department, has dismissed the suit by which New York Shipping Assn. sought to have workmen's compensation rates for stevedoring classifications refigured from 1948 on a materially lower basis. The action, matter of Associated Operating Co. et al vs Bohlinger, superintendent of insurance, and New York Compensation Insurance Rating Board, if it had been upheld by the court, would have necessitated refunds by several companies to stevedoring policyholders of more than \$2 million in interest.

The contention of the shipping association was that the rating board had deceived the superintendent about the 1948 rates with respect to the law amendment factor used in the filing that year and that the rating board was guilty of fraud, over reaching and gross negligence in the filing of such rates for approval. The principles of rate making were involved.

New Insurer for Abstainers Only

A new insurer, Preferred Risk, has been organized in Simcoe, Ont., Canada and will begin writing automobile business within the next few months. By selling to non-drinkers only, the company will be able to offer rates 20 to 40% lower than those charged by regular commercial insurers in the province. The company is being organized by several members of Norfolk County Temperance Federation. It is the first such insurer in Canada.

Kemper Group Promotes Two at Atlanta Office

C. L. R. Nichol, resident vice-president in Atlanta of Lumbermen's Mutual Casualty, and southeastern department manager of Kemper group, has been elected resident vice-president of American Manufacturers Mutual of New York and Federated Mutual of Boston. M. F. Griffith, who is in charge of fire underwriting at Atlanta, has been elected resident secretary of the two insurers.

Seybert Joins Bray Service as Okla. City Manager

Robert B. Seybert has joined Homer Bray Service of Albuquerque as Oklahoma City manager. Mr. Seybert has been with Utilities as resident vice-president in Oklahoma for 13 years, and before that was with Atwell, Vogel & Sterling, and United Service & Research.

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Automobile Problems, UM Coverage Leading Topics of N. Y. Agents' Downstate Regional

By ELOISE WEST

Automobile insurance problems constituted one of the chief topics of the downstate regional meeting of New York State Assn. of Insurance Agents, sponsored by the state association and Suburban New York Assn. of Insurance Agents at Garden City, N. Y. A record crowd of 960 attended.

A forum discussion of homeowners policies was a feature of the meeting. Eugene A. Toale, New York manager of Security-Connecticut group, gave a talk on profitable agency management, which drew favorable comment. These features are treated elsewhere.

Terminating the new uninsured motorist endorsement the broadest coverage to date and the best that he can conceive of, Superintendent Holz told of the development of the coverage. He said that he sat down with company men and after dismissing all the plans for a compulsory coverage and other proposed solutions for the problem of the uninsured motorists, the insurers suggested the uninsured motorist endorsement and he said he would be happy to approve it. Since its approval, he said, 98% of the stock companies licensed in the state have accepted it.

Now almost 13 million people are covered wherever they are in the U.S. or Canada if they are hit by an uninsured motorist. He said he had received many letters from persons in other states asking when it would be available there and how New York was able to achieve the cover. He can't see how any person could refuse to buy it on renewal since the advantages it offers far outweigh any criticism against it.

Property damage is not included in the cover, he admitted, but even in the unsatisfied judgment fund in effect in New Jersey there is a \$200 deductible on property damage, he explained. The exclusion of property damage eliminates litigation for a scratch on a fender, and the UJF's deductible—in effect eliminates the same kind of litigation, he said.

Mr. Holz was accompanied by Julius Wickler, first deputy superintendent of insurance.

Certain agency companies have come up with what they say is an answer to the direct writer problem through developing subsidiaries which are, in essence, direct writers, Arthur L. Schwab of Staten Island, president of New York State Assn. of Insurance Agents, said at the luncheon.

"An answer to the direct writer problem—nuts," he said.

Why accept such an answer merely because it has a stock company label, he asked? Allstate is a stock company, and putting a stock company label on such a scheme doesn't make it lily white, he stated.

The mutual agents are more concerned about the direct writer problem than the stock company agents because they have always sold their product on a price basis, he said.

These schemes of the stock companies involve policy writing costs—which is about the most minor cost in an office. One company has been touting its electric policy writer. In the future there'll be electronic writers blowing a fuse, the agent blowing his top and the policy going down the street to the "old grampa" who still writes his policies by hand, he declared.

Direct writers can be combatted

with knowledge and work, he emphasized.

Reviewing the compulsory automobile picture, Mr. Schwab said that although the new UM cover was a step in the right direction and was wholeheartedly endorsed by the present political administration in New York, a compulsory problem was still on hand.

On the other side of the fence is Jacob Javits, Republican attorney general of New York, who is still calling for compulsory. The problem could still get kicked into a political football with a Republican legislature and a Democratic administration, he warned.

The UM cover is not the end, but it is the "something constructive" agents have been asking for, he said.

John G. Mayer of Syracuse, executive secretary of the state association, explained a "safe-teen" project the association will soon announce. Based on

a similar project in Oregon, the program will enlist the students in high schools of the state to join the program by having their cars inspected and then signing a pledge to drive safely. They will receive a bumper tag for their cars stating that they are "safe-teens." The tag will be removed by the local magistrate if they are involved in an accident or infraction of the driving laws.

The program cut teen age accidents 50% in Oregon, he said.

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Our 25 YEAR Agents tell their story.....



R. J. PAINE

Dick Paine was born in Burnet, Texas of a pioneer family and his schooling includes International Business College of El Paso and LaSalle University in Chicago. He held a variety of jobs which will require too much space to mention and his start in the insurance business came when he purchased an agency in Lampasas, Texas in 1924. This agency was an old one at the time, having been established in 1884.

Dick has now been an insurance agent for twenty-nine years and has represented the Gulf since we were organized in 1925. But operating an agency is not enough outlet for his energy and talents, so in 1934 he organized and still manages the Lampasas Federal Savings and Loan Association, a business which started with \$5,000 and now has nearly \$3,000,000 of assets. He is past president of Lampasas Chamber of Commerce and was Mayor of Lampasas for ten consecutive years.

It really makes us feel good when we stop and think that men like Dick Paine threw in with us at the very start and have stayed with us through all the years.

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Dear Mr. Mansfield:

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Gulf service passed on to the assureds by an alert agent builds a valuable volume of business for both company and agent and a clientele of satisfied assureds. The result means success, the goal of every business man.

We have always been happy that in 1925, we dropped anchor in the Gulf.

Sincerely,

R. J. Paine
Agent.

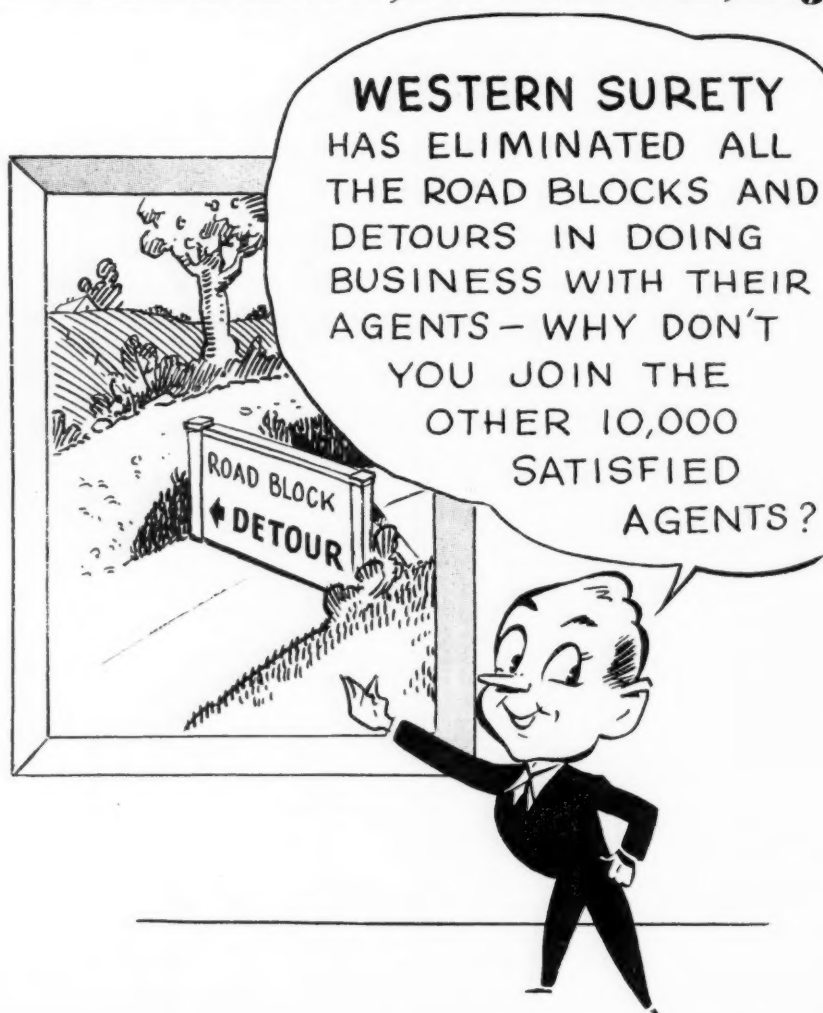


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\$900,000 of Impounded Funds from Mo. Rate Case to Go to State

JEFFERSON CITY—The state of Missouri has won an important round in its contest with a number of fire companies to obtain for the state escheat fund the balance of some \$900,000 in fire and wind premiums hanging over from litigation of the notorious Missouri rate case. The money represents premiums not refunded directly to policyholders in connection with the famous "O'Malley 80-20 compromise" of 1935, when the then superintendent, R. Emmett O'Malley, worked out a deal with certain of the fire company representatives under which 80% of a rate increase, then in litigation, should be granted to the companies and 20% of the impounded funds be returned to policyholders.

Judge S. C. Blair of Cole county circuit court last week held that the residue of the impounded premiums, dating back to the early 1930s, should revert to the state because the policyholders entitled to the money could not be found.

The money is currently in the custody of an agent of U. S. district court at Kansas City, having been placed there in conjunction with 118 separate suits against the fire companies. All the companies are affected by the ruling of last week, since it applied in all of the cases.

After the 80-20 compromise was knocked out by the federal court, which held that all of the \$8 million of impounded money should go to the policyholders, efforts to refund direct to policyholders were made over an eight-year period, but many of them could not be found.

Western Adjustment Holds Casualty Course at Chicago

Thirty adjusters, representing 10 of 13 states in which Western Adjustment operates attended a casualty adjusters school at the head office of Western in Chicago. The school was conducted under the supervision of J. G. Young, casualty division manager, and M. M. Schulte, O. V. Ashley, and J. C. Hegarty, casualty supervisors, and G. S. Corcoran, automobile department manager, assisted Mr. Young in presenting instruction material.

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Durham to Helm of N. M. Association; McCabe Next in Line

SANTE FE, N. M.—Neil Durham of Clovis has been elected president of New Mexico Assn. of Insurance Agents to succeed Miss Alice E. Walsh of Gallup.

Other officers elected at the two-day convention here were: Thomas McCabe of Silver City, vice-president; J. W. Daniels of Hobbs, state national director, and K. H. Bair Jr. of Albuquerque, treasurer. Appointed to the executive committee were: Jack Buskirk of Deming; H. Dickinson of Farmington; Paul Sackett and Joseph Spence, both of Albuquerque; Louis Freudenthal of Las Cruces; Lawrence Goodell of Roswell; Dwight Ohlinger of Alamogordo, and Roy Davidson of Raton.

The attendance figure reached a new high of 300.

In resolutions adopted, the association urged the establishment of an audit bureau for New Mexico in conjunction with the existing rating bureau; the cooperation of agents with organizations working for amendment of tax laws which would place competitive cooperative movements in the same tax categories as other corporate entities and recommended that the New Mexico association renew such efforts on a national scale; that the association renew its efforts to amend WC laws to provide for a commission for the settlement of claims, and that panel discussions be recommended for inclusion in future meetings of the association.

Panel discussions, which proved a highlight of the program, were used for the first time at the convention.

Mr. Durham, in his acceptance speech, said he would work for the establishment of more local boards during his term New Mexico won the Connecticut membership cup for its increase in membership last year. The cup was awarded at the national convention in Los Angeles.

Major speakers at the convention were Robert Battles, vice-president of National Assn. of Insurance Agents; Gov. Simms of New Mexico; Insurance Superintendent Apodaca; C. C. Otto, president of Western Casualty; Roy Davis, midwest manager of Assn. of Casualty & Surety Companies, and William Niedecker, vice president American International Underwriters.

Panel topics and members were: Inland marine—Dwight Ohlinger of the Menger agency; Mac Henderson of Fireman's Fund and Tate Powelson of GAB. Homeowners—Bud Weaver of the Southwest agency, O. D. Oliphant of Fireman's Fund, Kenneth Moore of GAB, Lloyd Pierce of Adams-Pierce agency; Leonard Stebbins of Cobb & Stebbins agency and Robert Rhymes of Rhymes Adjusting. Comprehensive general—J. W. Daniels of Bob Daniels & Sons agency, Paul D. Strickland of Ritter agency; Ralph Osborn of Associated Adjusters, H. Dickinson of Woods Title agency; J. Silversmith Jr. of Silversmith agency, and William Wetzel of U.S.F.&G. Auto—Blair White of Frank Papen agency, E. Reed of American, Thomas McCabe of Kaufmann & McCabe agency, L. King of U.S.F.&G. and Ivan Austgen of GAB. Bonds—Lou Gerding of Gerding agency, Michael Fulton of Western

Surety and Robert Echlin of Echlin, Irvin & Crowell Co.

Mr. Otto, who reviewed developments which led to direct-writing competition, said, "The American buyer, despite his acceptance of the mass-merchandising system, is still not ready to be catalogued merely as a number, a name or an index card or to accept the status of a routine customer."

"To him, his program is personally the most important program in the world. The big challenge to us is to demonstrate by our deeds, the big dif-

ference between the professional insurance agent and the 'captive' agent, who through his zeal, his willingness to work and his manifested determination has convinced many insured that he too is an agent."

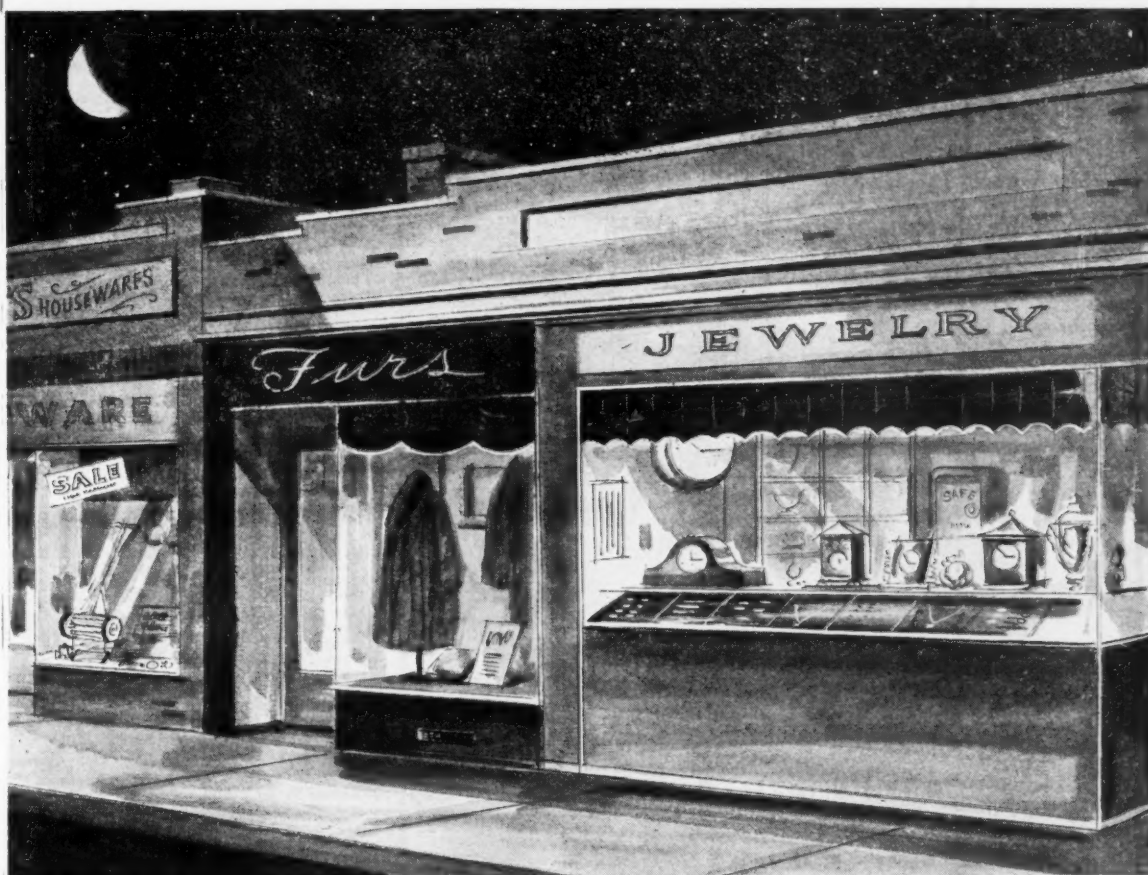
Mr. Otto urged agents to avoid becoming a part of an advertising program which show their pictures as a leading local agent of a particular company. "This advertising style creates a direct demand not for the agent's services as such but for the specific product of that particular company,"

he said. "An agent who permits himself to become a part of such an advertising program has taken a long step toward voluntarily becoming a captive agent."

He urged agents, instead, to participate in advertising which emphasizes the "agent's independent professional qualifications."

Insurance Women of Amarillo heard M. D. Brannum discuss the new liability policy at a recent meeting. A report on the convention of Federation of Insurance Women of Texas was also presented at the meeting.

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FOR LESS THAN TWO CENTS A CUBIC FOOT!

Pictured in the small photo on the right is the Kidde Ultrasonic Burglar Alarm System — most efficient means of protection on the market today.

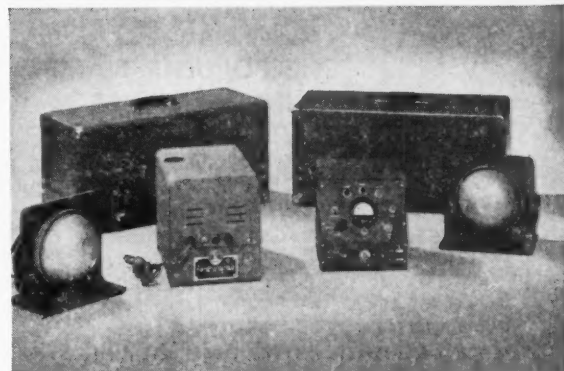
Unlike ordinary perimeter protection, the Kidde system gives complete wall-to-wall, floor-to-ceiling coverage, guarding every cubic inch of the protected area against invasion of any sort.

With the Kidde system on the job, any attempt to enter through a door or window, or by breaking through the floor or ceiling will cause an alarm to sound instantly. Tamper-proof switches thwart any sabotage, and a special device gives a warning in case power fails or is shut off.

Easy to install, simple to maintain, the Kidde system plugs into any electrical outlet, can be moved from place to place with no difficulty.

When properly installed, the Kidde Ultrasonic Burglar Alarm System qualifies for an Underwriters' Laboratories Number Two Certification.

For more information on this exciting new kind of burglar protection, send today for Kidde's new Ultrasonic Burglar Alarm Booklet or contact your U.L.-approved Central Station or local alarm company.



The basic units in this photo can protect up to 60,000 cubic feet of space at a cost of less than two cents a cubic foot, depending on physical characteristics of the protected area.

Kidde



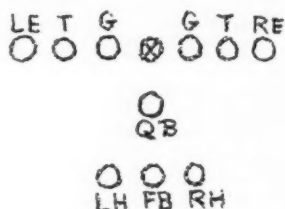
The words 'Kidde', 'Lux', 'Lux O-Matic', 'Fyre-Freeze' and the Kidde seal are trademarks of Walter Kidde & Company, Inc.

Walter Kidde & Company, Inc., 1044A Main St., Belleville 9, N.J.

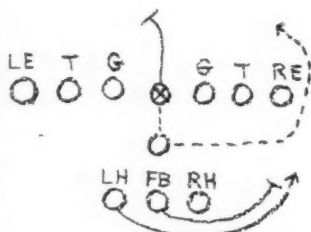
Walter Kidde & Company of Canada, Ltd., Montreal-Toronto



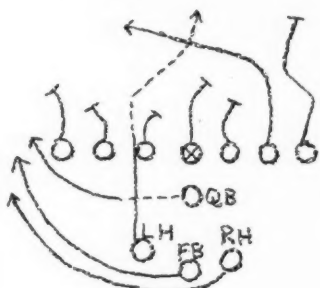
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as a team...



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and know-how...



...with an "on the ball"
progressive attitude...



...to provide outstanding
service to its agents.

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keep more business...
represent The Kansas City—
a progressive company
for progressive agents.



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Insurance Company

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Convention Dates

Nov. 17-18, Illinois Assn. of Mutual Insurance Agents, Abraham Lincoln hotel, Springfield.
Dec. 3-4, National Assn. of Insurance Brokers, midyear, Kansas City, Mo.
Dec. 4-5, Arkansas Assn. of Insurance Agents, midyear.
Dec. 8 Insurance Federation of New York, annual, Hotel Commodore, New York.
Dec. 28-29, American Assn. of University Teachers of Insurance, annual, Hotel Roosevelt, New York.

1956

Feb. 22-24, Michigan Assn. of Insurance Agents, midyear, Sheraton-Cadillac hotel, Detroit.
Mar. 23-24, Assn. of Insurance Attorneys, annual, Atlanta, Ga.
April 8-10, National Assn. of Insurance Agents, midwest territorial conference.
Apr. 8-10, Minnesota Assn. of Insurance Agents, midwest territorial meeting, St. Paul.
Apr. 14-15, Colorado Insurers Assn., annual Broadmoor hotel, Colorado Springs.
Apr. 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Hotel Savary, Des Moines.
Apr. 16-17, Iowa Assn. of Mutual Insurance Agents, annual.
Apr. 22-24, Alabama Assn. of Insurance Agents, annual.
Apr. 23-25, National Assn. of Insurance Agents, annual.
Apr. 29-May 1, Iowa Assn. of Insurance Agents, annual.
Apr. 30-May 2, Chamber of Commerce of the U. S., annual.
May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
May 3-5, National Assn. of Independent Insurance Adjusters, annual.
May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.
May 10, Surety Assn. of America, annual, New York.
May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.
May 13-16, H&A Underwriters Conference, annual.
May 14, National Bureau of Casualty Underwriters, annual.
May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.
May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
May 16-18, National Assn. of Insurance Brokers, Boston.
May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.
May 17-19, Arkansas Assn. of Insurance Agents.
May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.
May 21-22, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.
May 23, National Automobile Underwriters Assn., annual.
May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.
May 27-30, Virginia Assn. of Insurance Agents, annual.
June 11-13, South-Eastern Underwriters Assn., annual.
June 11-13, National Assn. of Mutual Insurance Agents, midyear, Atlantic City.
June 13-16, International Assn. of A&H Underwriters, Miami Beach.
June 13-15, Insurance Advertising Conference, annual.
June 14-16, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
July 12-14, International Assn. of Insurance Counsel, annual, Greenbrier hotel, White Sulphur Springs, W. Va.
Sept. 12-14, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
Sept. 17-20, National Assn. of Insurance Agents, annual.
Sept. 24-26, Bureau of A&H Underwriters, annual, Whiteface Inn, Whiteface, N. Y.
Oct. 7-9, Pennsylvania Assn. of Insurance Agents, annual, Bedford Springs hotel, Bedford Springs.
Oct. 7-10, National Assn. of Casualty & Surety Agents, annual, White Sulphur Springs, W. Va.
Oct. 7-11, National Assn. of Mutual Insurance Companies, annual, Cincinnati.
Oct. 15-17, California Assn. of Insurance Agents, annual, Sheraton-Palace hotel, San Francisco.
Oct. 16-17, Massachusetts Assn. of Insurance Agents, annual, Sheraton Plaza hotel, Boston.
Oct. 22-24, National Assn. of Mutual Insurance Agents, annual, Washington, D. C.
Oct. 22-24, Western Underwriters Assn., Annual.
Nov. 11-13, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.
Nov. 28-30, Southeastern Underwriters Assn., semi-annual, Carolina, Pinehurst, N. C.

Willard Henry has been elected a director of Farmers Mutual Fire of Fort Wayne, succeeding the late F. L. Carpenter.



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SPECIAL RISKS - SURPLUS LINES
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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Some Hold Optional EC Deductible Yields More Premiums, Is Better Competitively

In its July 28 issue THE NATIONAL UNDERWRITER discussed the views of those in the business who inclined to use of a mandatory \$50 deductible on extended coverage. The feeling of this group is that the mandatory eventually should be put into effect pretty much country-over because it is economically unsound, in view of high adjustment costs, to provide full coverage of a sort so universally purchased and so frequently subjected to such sizable catastrophes—and also in part because the deductible acts as a kind of a safety floor to protect the insurers against too heavy loss in catastrophes.

However, there is a considerable amount of opposition to mandatory as such, though those who oppose mandatory are pretty well accustomed to the idea of an optional deductible. The subject has been in debate for several years. At one point the idea of optional deductible was agreed upon with a reasonable buy back cost, though even this Rubicon was not crossed without delay and maneuvering. The idea was not to price the buy back provisions so high as to place full coverage out of the reach of most buyers.

Even so, the cost of full cover steadily has increased in states where the deductible is optional and which have been subjected to some of the big hurricanes of recent years. In New York state, for example, extended coverage several years ago was six cents. The optional deductible was initiated, and the rates for the two forms became five cents and seven cents. This eventually went to eight cents and 14 cents, and today is eight cents and 20 cents, with insured paying 12 cents for \$50 worth of protection. That is regarded as pretty high.

Many in the business regard a \$50 deductible as unrealistic today. It is easy for a contractor to bury a \$50 item in a bill based on today's prices for repairs and replacements. In fact, some wonder if, under the \$50 deductible, the insurer is getting any real protection against multiplicity of small claims, which is the strongest argument for the deductible. They also wonder if the saving in adjustment expense from the deductible is not over rated. If there is damage, the property must be inspected in any event. In addition, the smallness of the figures probably over emphasizes the savings feature of the deductible. If there is a \$60 loss and a \$50 deductible, insurer pays \$10, and the adjustment expense is apt to be \$10.

It has been suggested that the business experiment with larger and more realistic deductibles, such as \$100, \$150 or \$200. Underwriters even go so far as to suggest that the business offer more than one optional deductible, as is done in the automobile collision

field, and where the availability of several deductibles has not proved confusing and has not led to an increase in processing. In the automobile collision field insured tend to select the most realistic figures. In the old days it was \$50; today it is principally \$100.

But perhaps the most persuasive reason the objectors have to mandatory is that it cuts income for insurers. Insurers are in business to pay losses. If they get a proper rate, the more losses there are the better off insurers are, provided the business is looking at coverage, and especially this coverage, on a long term basis.

It is true that they have been through a series of tough occurrences, but in the long run these should level themselves out. It was only a few years ago that there was a great to-do about writing EC in Florida, and agents, state officials and others were crying for insurers. Today Miami is advertising that it is hurricane free. Perhaps 25 years is the proper measuring period for extended coverage, and decision should be made in relation to that large a swing rather than on a shorter term basis.

Aside from the fact that these underwriters do not believe in prohibiting the public from buying full coverage, they are more concerned about the unsoundness for the business of choosing not to insure, of choosing to reduce premiums, at a time when companies are reaching and spending money to get premiums.

On the big deductibles, the business does not necessarily have full choice in the matter of deductibles. Some businesses must be attracted by big deductibles. But on the little deductibles, the insurers themselves do the choosing, make the decision, elect to apply a deductible or not—and for purposes of their own.

In 10 years in New York state EC produced earned premiums in dwell-

ings \$126,841,000 for full cover. If only the mandatory deductible were available in New York, these observers point out, this figure would, at least theoretically, be 60% less, or it would have been \$56,736,000 instead of \$126,841,000. Where can insurers get \$70 million worth of premiums today? In 1954 the EC earned premiums in New York dwellings was \$21,737,000, which would have been \$13,042,000 less on the mandatory deductible premium. The tendency has been for more insured to buy the deductible as time has gone along and as the rate for the full cover has increased. For example, for the 10 years ending with 1954 earned premiums on the deductible basis in New York state were \$4,449,025, and in 1954 they were \$2,147,000.

It is interesting to note even with hurricane losses of quite unprecedented scope and severity, the 1954 loss ratios were under 100 and the loss ratios for the 10 years were under 100.

Rate makers naturally are uneasy about high loss ratios, but the company point of view is that perhaps they could stand a loss ratio a little higher on EC than they can on fire. Anyway, it is sometimes forgotten that the extended coverage is an endorsement on the fire policy, and that this is a way to pick up additional dollars on the same transaction.

Another argument of the opponents of mandatory is that once it is in effect, the insurers that have put it into effect have tied their hands, and competitors can write full cover, which puts the mandatory insurers in a bad competitive position. The optional basis leaves insurers in a much more flexible position for several purposes.

Md. Casualty Keeps Late Hours for Claims

Maryland Casualty has made the following announcement in an advertisement in *N. Y. Law Journal* to members of the New York bar:

"Members of the judiciary, prominent civic leaders and many members of the bar have expressed concern over the large volume of tort litigation, the continuing heavy backlog of cases, and the long delays experienced by claimants and litigants in the final determination or disposition of both claims and suits.

"Maryland Casualty, in furtherance of its established policy of encouraging settlement negotiations and quick disposition of claims and suits, will keep its claims office open on Thursday evenings, until 10 p.m., for the remainder of the year 1955, (beginning Oct. 20) for the convenience of attorneys whose daily court engagements prevent discussion during the normal business day."

No Cover for Smog Blanket

Two Los Angeles TV producers attempted to get coverage against smog from London Lloyds, but were not successful. The producers were working on a program which originated from Hollywood Bowl.

Insurer Gets "Amazing" Results from Advertising in Insurance Press

Lexington, the insurer operated by Boit, Dalton & Church agency of Boston, discussed at its last board meeting advertising in the insurance press. President Charles C. Hewitt observed that in July the company decided to experiment with advertising and began a campaign in August. Purpose was to determine whether or not this should be made a part of its general operating policy.

The decision, according to Mr. Hewitt, involved a factor not generally faced by advertisers in the insurance press. Most advertisers can emphasize a specific type of cover or dramatize a specific need or service. In the case of Lexington, which specializes in covers which ordinarily afford no particular comparison or precedent, the advertisements have to be stated in generalities.

There are those who think that such advertising does not normally obtain the lucrative reaction which a more specific advertisement would produce, he said, but he reported that the results of the insurance press publicity thus far have been very gratifying—sufficiently so to indicate that there is very considerable interest in this specialized endeavor of Lexington.

In a few instances readers jumped to the conclusion that the company might be just another market for surplus lines, rather than a market for something not available heretofore. Still others have sensed the fact that there are many covers desired by industry that are not attractive to the insurance business because they are so much out of the ordinary as to require study and very considerable testing before being undertaken. However, in most instances readers appreciated that because the company takes the time to know what it is undertaking it is not afraid to chart courses that are sound just because they are new and that the company is happy to attempt to solve any logical insurance or self-insurance problem.

Experience thus far provides an amazing amount of evidence that the advertising in the insurance press is well read by those who work in this important field, he told the board.

America Fore Old Guard Has Dinner

The annual banquet of America Fore's Old Guard, employees with more than 25 years experience, was held in New York City with 500 members present.

Herbert G. Roleke, general counsel, was toastmaster and President Frank A. Christensen was speaker. Mr. Christensen is also a member of the club. He welcomed the 80 employees who became members this year.

J. Victor Herd, executive vice-president, was an honored guest and also spoke.

In the five companies of the group there are 1,257 members, 60 of whom have served more than 50 years.

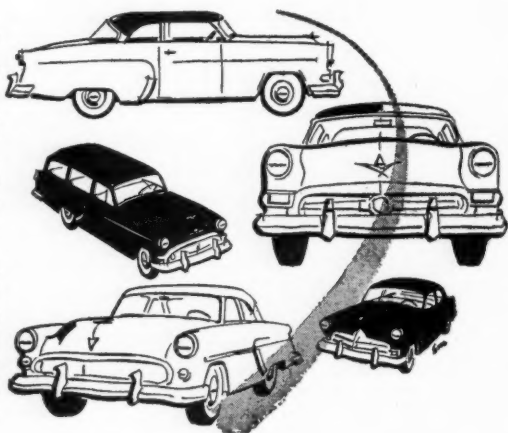


New Milwaukee Board officers, from left: R. M. Evans, secretary; Don Gottschalk, president; Gordon Gille, vice-president, and M. G. Herndon, Washington representative of NAIA, who addressed the election meeting.

Low Net Cost is only part of the story

● CAR OWNERS want dependable protection backed by efficient agency service. Give them both—plus mutual savings—and you have the auto coverage that's right for responsible clients.

Write for details of the Grain Dealers' AGENCY PLAN. It will interest agents who want to augment their facilities with those of a leading agency mutual company.



Grain Dealers Mutual

INSURANCE COMPANY

INDIANAPOLIS 7, INDIANA

Western Department: Omaha 2, Nebraska

FIRE & ALLIED LINES • AUTOMOBILE • INLAND MARINE

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A sound, carefully planned Underwriting program in which each risk is given individual attention and tailored to keep pace with our insured's needs!

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WEBSTER 3-9275

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9-7603

Recodification of Michigan Insurance Code is Completed

LANSING.—Work has been completed on a proposed recodification of the Michigan insurance laws and it is anticipated a bill embodying the rewritten code will be introduced early in the 1956 legislative session.

Robert Williams, Seattle, attorney, who framed the Kentucky, Washington, Arizona, and Puerto Rican codes and did much work on others, prepared the recodification. Commissioner Navarre, who named an all-industry committee more than a year ago, to direct the recodification, said the revised code does not constitute any new legislation in its present form but merely systematizes, simplifies, and puts into modern phraseology the provisions of the existing laws.

The commissioner said the committee headed by John Panchuk, counsel for Federal Life & Casualty, a former assistant attorney general and legal advisor to the department, has prepared a brochure explaining what has been accomplished. All segments of the business are represented on the special committee and it is anticipated that legislators will give a blanket endorsement of the rewriting job by the industry.

It was emphasized by the commissioner that the recodification does not pretend to amend or revise any existing laws but sets up the framework suitably for anticipated modernizing amendments likely to be submitted at a later session when the industry has had opportunity to review the new code.

The existing code, it was noted, is a hodgepodge of legislation dating back as far as the 1860's, the bulk of which, however, was enacted in 1917 when there was a general overhauling of the insurance laws. Most insurance legislation over the years, it was noted, was introduced and adopted with a view to caring for some specific situation or need, with little or no relation to the body of laws already on the statute books. Thus conflicting and contradictory provisions now exist, together with many ambiguous passages which require constant legal interpretation with the consequent uncertainty as to how conflict or confusing language will be resolved.

McCluskey Named AFIA Manager at L. A.

Elmer J. McCluskey has been named acting manager at Los Angeles by American Foreign Insurance Association. He transfers from the San Francisco office where he was assistant to Pacific coast manager A. E. Lampe, and replaces R. J. Deckard Jr., who resigned to enter the insurance brokerage field.

Special at Baltimore

Henry V. Jablonski has been appointed special agent at Baltimore by Atlantic Mutual. He has been with Atlantic Mutual and Centennial since 1952 in the fire underwriting department.

He will be under supervision of J. Rutledge Clark, branch manager at Baltimore.

W. A. Alexander & Co. general agency of Chicago has signed a 10 year lease in a new store-office building in suburban Downers Grove to house a portion of its policy writing and rating departments.

N.J. Federation of Labor Charges Blue Cross Wastes Money

Aroused at what it regards as the arbitrary cancellation of a number of group plans with AFL unions, the New Jersey Federation of Labor charged before a state senate committee at Trenton that the New Jersey Blue Cross has been "wasting indiscriminately" the funds of its subscribers.

The federation also accused Blue Cross of making "unethical and illegal profits," needlessly raising its rates in recent years, and dealing "arbitrarily" with policyholders.

Counsel for Blue Cross submitted a detailed reply to the union's 14 accusations, denying each one of them.

Federation President Louis P. Marcianite testified that Insurance Commissioner Howell had investigated the charges and advised Gov. Meyner that they constituted no grounds for a public inquiry. Mr. Marcianite charged Mr. Howell with seeking to "white-wash" the Blue Cross. The state federation and New Jersey Blue Cross have long been at odds over what the federation regards as Blue Cross favoritism to the CIO plans. Blue Cross officials have denied this.

Look Askance at New N. Y. UM Cover

It is apparent that the uninsured motorist coverage recently approved in New York does not solve the problem of compulsory automobile insurance on a nationwide basis, nor in fact, is it certain that it will solve it in New York, National Assn. of Insurance Brokers has stated.

The coverage has split both the stock and mutual companies down the center and came about to a large extent as a result of the urgings of Superintendent Holz of New York, the association comments.

The brokers point out that though Mr. Holz urged that the plan be extended to other states, this may not be possible since the coverage in New York is based on about 90% of the motorists being insured and another 6% being financially responsible. In states where only 60% are insured, the companies might have to charge prohibitive premiums or face almost certain insolvency, the brokers state.

Cooper Named in Arizona by Northwestern Mutual

William C. Cooper has been named Arizona claim manager for Northwestern Mutual Fire. He succeeds A. J. Kayser who has retired after 28 years with the company.

Mr. Cooper joined the Northwestern's southern California department in 1951. He was transferred to Phoenix in 1953 to work with Mr. Kayser.

Wisconsin NACCAs Elect

MILWAUKEE—L. D. Gillick has been elected president of National Assn. of Claimants' Compensation Attorneys of Wisconsin to succeed Jesse Habush, Milwaukee. Vaughan S. Conway, Baraboo, is vice-president; Harry Halloway, Milwaukee, secretary, and Bertram Hoffman, Milwaukee, treasurer.

Pearl "25" Club Elects

At the annual meeting and banquet of Quarter Century Club of Pearl the following officers were elected: H. A. Bitzer president, M. C. Ripley vice-president, and John B. Scheuerman secretary-treasurer.

Files Graduated Rate Cuts for Fire and EC on Texas Business

DALLAS—A proposed graduated rate reduction for fire and extended coverage on protected dwellings in Texas has been filed by Southwest General.

The graduated reductions, filed to meet competition of direct writers, are as follows: 20% for the excess of \$5,000 up to \$10,000; 40% for excess of \$10,000 up to \$20,000, and 60% for the excess of \$20,000.

In discussing the proposal, President John A. Steel said his company's plan is not a permanent solution, "but a step in the right direction and the only one open to the company at this time." He added that increasing commissions tend in part to "widen the competitive gap between the stock company agent and the direct writer."

Guarantee of N. A. Promotes Wright

Guarantee of North America has appointed William T. Wright associate manager of the U. S. reinsurance branch. He has been assistant manager since 1951, working with Darrell F. Johnson, manager.

Mr. Wright was in the home office at Montreal from 1937 to 1950 and from then until he became assistant manager of the U. S. reinsurance branch he was with the Montreal office of U. S. F. & G. as superintendent of the surety department.

Kill Wis. Bill to Tax Domestic Casualty Mutuals

MADISON—The Wisconsin assembly at its fall session has killed a bill that would have imposed a 1% tax on the gross premiums of Wisconsin mutual casualty companies. Stock casualty companies now pay 2% and the bill would have imposed a 1% tax on both stocks and mutuals. By exempting the first \$100,000 of annual premium income, the sponsor maintained the bill would have exempted the small mutuals but would have imposed a "fair share" of the cost of government on larger mutuals that have "reached a staggering size" and should pay taxes the same as stock companies.

Institute Annual Set For Nov. 10 in New York

The annual conference of Insurance Institute of America will be held Nov. 10 in New York City at the Hotel New Yorker. Awards will be made to prize winning students, and the activities of the institute during the year will be reviewed. This will be followed by the annual business meeting.

Stockholders Approve National Fire Mergers

Stockholders of National Fire and Mechanics & Traders have approved the merger of the two insurers under the National Fire name. Merger of Franklin National and United National Indemnity with Transcontinental also has been okayed by stockholders. Transcontinental is the surviving name.

Atoms a Challenge to Insurance, Pace Says

Insurance has another major role to play in the atomic era by helping finance the development of the atom by private enterprise, Frank Pace Jr., former Secretary of the Army and

executive vice-president of General Dynamics Corp., said in an address at the New England CPCU conferment luncheon at Hartford.

Atomic power will change the face of the world, politically, economically, and militarily, in the next 20 years, he said. He urged a fuller understanding of the atom. It presents the most exciting opportunity ever given to man, he said, but the wisdom of how it is used depends not upon government nor the military, but on the people.

Dr. Harry J. Loman, dean of American Institute, conferred CPCU designations on 14 persons.

Yeargan Heads Texas Advisory Association

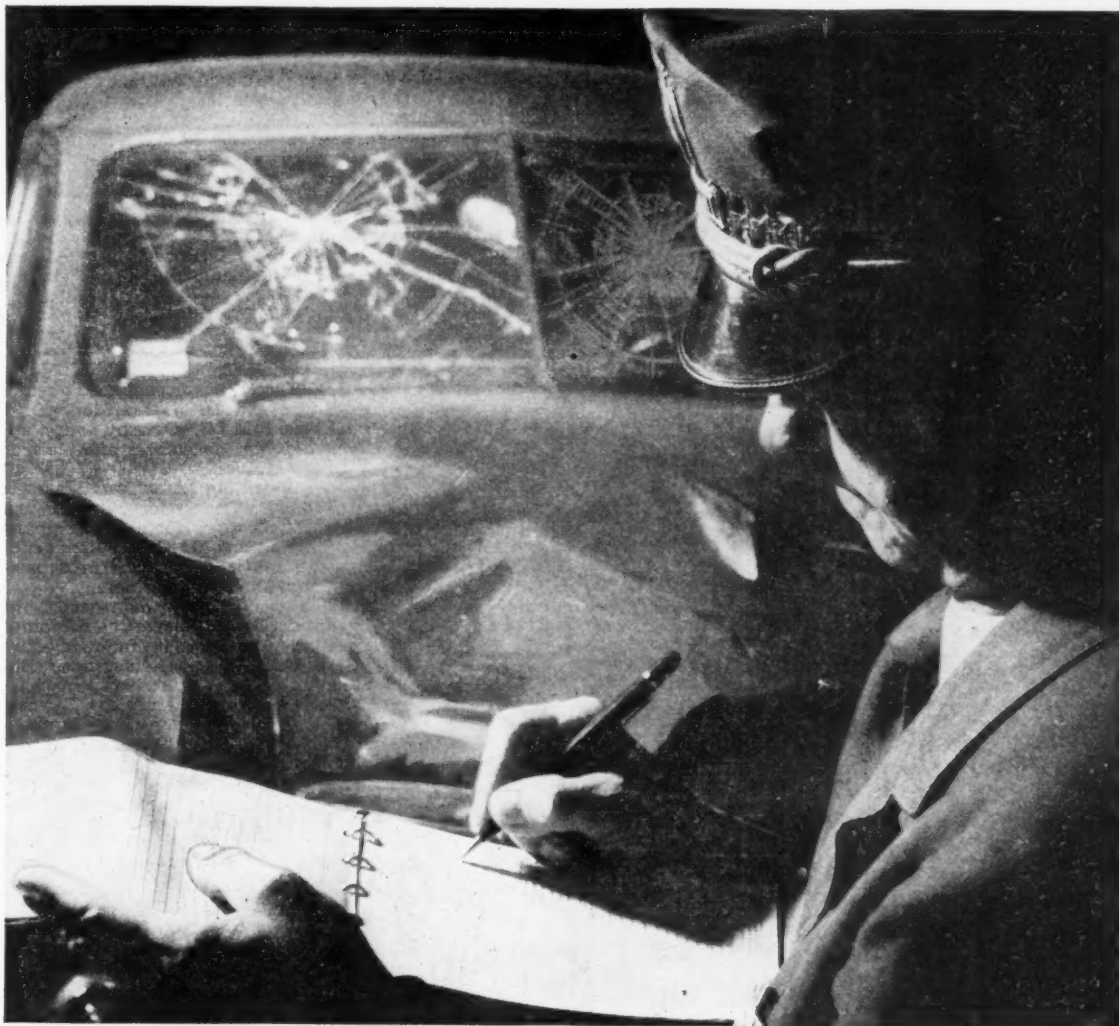
Gordon Yeargan, president of Trinity Universal, was elected chairman of the executive committee of Texas Advisory Insurance Assn. at its meeting in Hartford. He succeeds Gordon Kyle of Aetna Fire. Following the action taken by several other organizations, TAIA voted to hold only one meeting a year, and this will be in Texas. It has been the practice of the organization to hold one of two meetings in the east, usually New York, and

the one in Texas.

The floods that resulted from the cyclone of Oct. 14-16 in the Connecticut and New York area made travel difficult for many of those who had planned to attend the gathering in Hartford. Even Mr. Yeargan was held in New York, and several others made an uncomfortable trip.

Joins Surety Assn.

Royal Exchange has been elected to membership in Surety Assn. of America. The association now has a record membership of 76.



Final Report Card for Freddy

■ Freddy was an A student. But he made the fatal mistake of trying to take a sharp curve at 70 miles an hour—and failed! No one had taught him that the laws of physics apply to automobiles too.

Every year thousands of our most intelligent youngsters are either killed, or cause someone to be killed, on the highway. In fact, one out of every four fatal auto accidents involves a youthful driver.

WHAT ARE WE DOING WRONG? It's not what we are doing—it's what we are *not* doing! We spend billions of dollars teaching our youngsters the 3 R's, and then neglect to teach them one of the most important things about staying alive today—the proper attitude for safe driving.

IS THERE AN ANSWER? Fortunately, yes! Today, learning safe driving is as necessary as the 3 R's. Doesn't it make sense that our youngsters be taught safe driving in high school along with reading, 'riting and 'rithmetic?

WILL IT WORK? We have proof that it has—and will! Wherever high school Driver Education Courses are available, trained young drivers have *only half as many accidents* as untrained drivers.

WILL YOU HELP? Your aid, as an insurance man and leading citizen, is sorely needed to support Driver Education in your local high school. You can start by using your influence with your PTA, school officials, school board and local Safety Council. Premium advantages to trained young drivers provide extra incentive. We'll help by sending you the informative folder entitled—"Teach Them to Drive... and Survive!"

ALLSTATE

INSURANCE COMPANY

Home Office • Skokie, Illinois

© A.I. Co.

NW Mutual Opens Inland Marine Unit

Northwestern Mutual Fire has organized a separate inland marine department with Henry A. Colvin as manager. Inland marine business previously has been conducted as a subdivision of the fire underwriting department.

Mr. Colvin has been with Northwestern Mutual since 1946, and was in the field for inland marine lines until 1948. Later he was transferred to Chicago to develop inland marine business in the eastern and southern division, returning to the home office for administrative assignment in 1951.

OSU Group Tells Columbus How to Cut WC Premiums

COLUMBUS—A group of members of the faculty of Ohio State university has submitted a plan by which the city can bar fraudulent injury claims, end fake sick leaves and stop an annual \$250,000 drain on city funds.

The program calls for medical examination of all employees before job placement; examination of all injured

or sick employees, regular physical checkups, and periodic inspection of all city job hazards. The recommendations are expected to have a far-reaching effect.

Columbus annual workmen's compensation premiums have increased from \$68,548 in 1948 to \$363,105 this year. The city is paying \$3.12 on every \$100 of payroll as compared to 69 cents by Cincinnati. It is assessed a 69% penalty above the basic rate because of the poor record. The faculty committee blames the city's poor medical program, rather than its safety program.

Panel to Discuss New York UM Coverage

A review of the meaning and significance of the new uninsured motorist endorsements in New York highlighted a recent forum of Greater New York Insurance Brokers Assn.

R. Newell Lusby of America Fore group, J. F. Harris of Travelers Indemnity, F. G. Holzhauer of Royal-Liverpool, Joseph P. Craugh of Utica Mutual and Chase M. Smith of Lumbermens Mutual Casualty were on the panel.

St. Paul-Mercury Opens Bond Office at N. Y.

Saint Paul-Mercury Indemnity has established a territorial office at 90 John street, New York, for service and development of its bond business. A. G. Podlesney, manager of the bond department for the eastern department, will have supervision for the states of New York, Pennsylvania, Delaware, Maryland, District of Columbia and Virginia.

Tenn. Claims Men Form State Assn.

Tennessee Claims Assn., a state organization of insurance claims adjusters, has been formed in Nashville. Charles C. Morrow of Nashville is president, Ed Pritchett of Knoxville, 1st vice-president, William Cortner of Nashville, secretary, George Johnson of Nashville, corresponding secretary, and Paul Moon of Nashville, treasurer. About 60 delegates from all parts of the state attended. Speaker at the afternoon session was Percy McDonald, Memphis attorney and secretary of the insurance section of American Bar Assn. Andrew B. Robertson of Atlanta spoke at the banquet.

Four Are Advanced by American Farmers Mutual

C. E. Terrell has been named a senior executive and D. A. Konsdorf, D. I. Lundt and M. G. Oglesby were appointed junior executives of American Farmers Mutual.

Before joining American Farmers in 1954, Mr. Terrell for 14 years was a district manager for a life company in Washington, D. C. He is agency supervisor of the (life) farm department for American Farmers.

Mr. Konsdorf, now manager of the fire underwriting department, joined the company in 1949 following two years with Mutual Reinsurance Bureau.

Mr. Lundt joined American Farmers in 1950. He is manager of the compensation and liability underwriting department.

Mr. Oglesby joined American Farmers in 1950. He is manager of the casualty underwriting department.

All underwriting departments will be under the supervision of Henry Kujawa.

Opens Baton Rouge Office

William A. Marbury & Co. general agency of Rushton, La., has opened a claim office at Baton Rouge with Charles J. Arceneaux as manager.

Marbury & Co. are general agents in Louisiana for Manufacturers Casualty. Mr. Arceneaux was with Lumbermens Mutual Casualty at Lafayette, La., before joining Manufacturers.

Joins Lumbermens Mutual Casualty

D. E. Bunn, assistant casualty actuary of the North Carolina department of insurance, has resigned to become Raleigh district manager of Lumbermens Mutual Casualty. He had been with the department since 1950. No successor has been named.

Nahm Agency Changes Name

The Nahm agency of Louisville has changed its name to Nahm & Turner. Charles S. Nahm and George L. Turner are the principals, serving respectively as president and vice-president. The agency is a charter member of Insurance Service Assn. of America, recently organized by about 40 agencies to pool facilities nationwide.

Robert E. Murray, who finished 25 years' service with the Michigan state police last July, has joined the Michigan department in the agency division. He formerly commanded the upper peninsula state police forces.

Van Orman Heads NYC Insurance Law Group

Wayne Van Orman, New York City insurance lawyer, is the new chairman



Wayne Van Orman

of the insurance law committee of New York City Bar Assn. Other members are Superintendent Holz of New York Life, Frederick S. Benson of Lumbermens Mutual Casualty, John F. Neville of American Insurance Assn., George E. Walton of Metropolitan

Life, Daniel J. Reidy, general counsel of Guardian Life, Herman Shwede of Mutual Insurance Rating Bureau, George S. Van Schaick, chairman of Security Mutual Life of Binghamton and former insurance superintendent of New York, Alfred C. Bennett, former consultant liquidator of the insurance department and an insurance lawyer, Robert M. Loeffler, William M. Eaton, Alfred B. Nathan, and Michael A. Hayes, all New York City insurance lawyers, and James Dempsey, insurance lawyer of White Plains and Peekskill.

There is one vacancy on the committee since George E. Johnson resigned to become president of the new Variable Annuity Life in Washington, D. C.

H. H. Smith Agency Honored

The Homer H. Smith agency of Salem, was honored by Fireman's Fund for 50 years of representation in Oregon. It is the oldest agency of Fireman's Fund in the state. The agency received a certificate of appreciation from the directors of Fireman's Fund.

Guests at the anniversary luncheon included Commissioner Taylor of Oregon, and E. E. Jacobson, Oregon marine state agent.

The Smith agency has been in business in Salem since 1897.

Federal Has Cal. Bond

LOS ANGELES—Robert E. McKee Co., at its bid price of \$8,084,805 has been awarded a contract by the Los Angeles county board of supervisors for construction of the new osteopathic unit addition to the Los Angeles general hospital. Federal, of Chubb & Son is surety on the work.

Plan Fire Course at Spokane

A two-week fire college sponsored jointly by Spokane Insurance Assn., Inland Empire Fire Underwriters Assn. and Spokane fire department will be held in Spokane next August. Professor R. J. Douglas of Oklahoma A. & M. will instruct the classes.

Attending will be departmental officers and others interested in fire fighting techniques and fire prevention practices.

Joins Fall River Agency

Arthur E. Mead, manager of Atlantic Mutual at Detroit, has resigned to become a local agent with Durfee agency at Fall River, Mass. He entered insurance with Atlantic Mutual in 1937 and was at New York and Boston before going to Detroit in 1952.

Miss Mosely New Ad Manager

Alice R. Mosley has been named advertising and sales promotion manager for All American Casualty of Chicago.

Miss Mosely was formerly with Sterling as advertising manager.

SPEAK OUT FOR UNIFORM TRAFFIC LAWS IN CIVIC GROUPS—IN TRADE ORGANIZATIONS—IN PERSONAL CIRCLES—SPEAK OUT.

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Toale Outlines Steps to Profitable Agency Operation

Take a good fat look at the agency, Eugene A. Toale, manager of the New York City office of Security - Connecticut group, advised agents who want profitably to manage their agencies. He spoke at the downstate regional meeting of New York State Assn. of Insurance Agents at Garden City.



Eugene A. Toale

Some of the factors that must be considered are:

Outside production. This is vital to the continued existence of the agency. He asked agents if they were getting out of the office and getting the work done.

Development of new coverage. Osmosis doesn't do the work of learning new coverages, he said. Agents must take time to digest them if they're going to service clients faithfully. Agents learn by selling, too, he said. He advised them to pick out a new client and try to sell him before attempting to sell it to regular customers. He also suggested taking correspondence courses on the new coverages.

Prospecting. Set up a list of prospects and make an honest effort to sell them, he advised. There are many ways to find new prospects. He also suggested selling life insurance, warning that if they didn't make an attempt to couple all of the client's insurance together, an energetic life agent will begin to sell property and casualty cover and take away his business. For the customer multiple perils include more than the forms such as auto, fire, etc., which the agent knows. They include death and disability.

Collections. There is no formula for collections, but he suggested agents develop a firm and unbending procedure for them. They should determine how long they can afford to carry a client and when that time is up cancel the policy. A cancellation notice is often one of the best forms of collection, he said.

Office machinery. He suggested that agents can use dictaphones to a great advantage, especially those attached to telephones, for that makes a permanent record of anything promised or agreed to over the telephone.

System and flow of work. To determine how the flow of work is going, he suggested the agent take a request for a policy some day and walk through the system. Check each step to see if it is necessary, he suggested.

Personnel. The right combination of people in an office is extremely necessary for an agency. If an agent is too busy, he needs more help. The extra income needed will come in if the extra person is really needed.

He also explained how an agent can study his own agency cost, as in the survey made by NAIA. He suggested that the agent take the accounts card for each company for a year, get the type of insurance, and find the premium and the commission. Count the policies. Then total each account, the premium for each line and the commission for each line. From this the agent can determine an average premium and commission along with the average expense per policy.

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EDITORIAL COMMENT

Continuation of the Local Agency II

Oddly enough little effort has been expended to solve a major weakness of the local agency business—the perpetuation of the agency beyond the life of the founder. A few companies have attempted to do something about the matter, but the number and effort are quite small considering the economic loss to insurers caused by the disappearance of an agency and the scattering of the business. Yet even those insurers that recognize the problem and know how to cure it are discouraged by the nature of the local independent agent who represents a number of companies and who will not respond, unless he wants to, to a suggested course of action, no matter how beneficial it may be to him.

Why more agents do not do something about the problem is more of a mystery since a solution would preserve for their retirement or heirs very considerable economic values which otherwise are lost or greatly depreciated. Yet there are peculiarities about the local agency business which makes it difficult to effect a continuity from one generation to the next.

A drug store, for instance, has stocks of merchandise, fixtures, perhaps a building, certainly a location, and a group of customers with the habit of dealing there—and these values can be passed with some readiness. On the other hand, a local agent has a personal knowledge of insurance and its application to human problems, the problems specifically of his clients. When he dies or becomes disabled, much of the values are lost. The skill and understanding that he possessed he can no longer apply. He must transfer these values to someone who can exert a corresponding skill and understanding. He must train a successor, and to get all the agency may be worth, for himself or his heirs, he needs as buyer a successor he has trained well enough to continue all the agency's present economic worth plus some of its future potential.

But even if the local agency business is a personal one, and in that respect resembles the professions of law or medicine, it is a good deal easier to pass along a local agency business than it is either that of a lawyer or a doctor. Enough agents do it to prove that it can be done; so few agents do it that it is astonishing why more do not.

But there is a third party involved in the problem, the agent's customer. If the local independent agent means anything special in insurance distribu-

tion, he means continuity of interest in his insured. There is inherent in risk the element of time lapse. This is in itself an uncertainty, but compared with the uncertainty of risk the uncertainty of time can be reduced—by an insurance contract written for a specific time, but especially by an established relationship and interest between local agent and insured which will extend far beyond the time limits of the contract.

Thus when an agent decides to do nothing about continuation of his business—or when he does not decide to the same effect—he is deciding for those people in the community who have helped him to succeed because they wanted something of value from him, continuity of interest.

Under certain conditions, such as those which have prevailed for 15 years or so, when pretty nearly everyone had as much business as he wanted or as he could take care of, companies and agents as well, it did not matter too much whether the agency continued or passed into other hands or its business was absorbed by another.

But today, when competition has sharpened quite perceptibly and when the local agent's own companies are assessing him not for what he has done in the past but for what he can do additionally in the future, the local agent may be facing a decision with which his choice has less and less to do. For the local agent's own companies today are looking for more business, and they intend to get it from him, or from new agents. Companies are appointing new agents. There are companies which are even studying the possibility of inducting young men into the local agency business by subsidizing them for a period of time until they get started, much as is done in the life insurance business. These companies are convinced that there are plenty of "soft" spots all over the country where an able young man with some starting assistance can make a good career for himself—and produce more volume for those companies. That this is so and that it always has been true is clearly shown by the number of new men entering the agency field every year and succeeding.

Thus the freedom of the agent to decide whether or not he shall level off on this plateau and continue on it the rest of his business life has been a good deal reduced by competition.

There is little doubt that the local agent cannot produce more business

without increasing his establishment, and that in increasing his establishment to solve the problem of volume he should and can at the same time solve or go a long way toward solving the problem of continuity. If agency insurers were getting more business from present agents, they would not be looking so strongly in the direction of new agents and new methods. The agents hold the key in their hand—but they can't just hold on to it. They have to do something with it.

PERSONALS

Mrs. Frances Brewer, wife of Herbert L. Brewer of the Brewer & Brumley local agency at Lockport, N. Y., has passed her examinations and is now licensed as a broker.

David H. Walke, Shreveport, La., local agent has announced his candidacy for the state house of representatives.

E. Ray Jenkins, secretary-treasurer of Richland Mutual of Mansfield, O., has been elected grand high priest of Royal Arch Masons of Ohio. He is a 33rd degree Mason and a knight of the York cross of honor.

President **James F. Crafts** of Fireman's Fund has been elected a member of the governing board of the National Industrial Conference Board.

John A. Diemand, president of North America, was host at a luncheon for officers and trustees of U. S. Inter-American Council, which represents the U. S. in Inter-American Council of Commerce & Production at Montevideo, Uruguay. Among those attending the luncheon were **James S. Kemper**, head of Kemper companies, American chairman of the council; **Earle N. Lashmet** of Liberty Mutual, vice-president; **W. S. Youngman Jr.** of American International Underwriters, a director.

William E. Fraser of the supply department of America Fore group, is celebrating his 60th anniversary with the group. He joined America Fore when he was 16.

Richard L. Langan, head of the newly formed Langan general agency of Louisville, on Oct. 23 made a hole-in-one at the River Road Country Club. This was the second hole-in-one Mr. Langan had achieved in the last two months, one of them at 100 yards and the other 120 yards.

C. B. Jenkins Jr., Charleston, S. C. agent, set another record when he was on hand for the annual convention of the National Assn. for Mutual Insurance Agents last week at Cincinnati. This is Mr. Jenkins' 23rd showing at these meetings.

A. L. Hollenbeck, secretary of Agricultural, has an article in the October

Credit Executive, publication of New York Credit & Financial Management Assn., in which he outlines 20 perils businesses may meet and describes the type of insurance which protects against them. He explains that perils differ from business to business but that they all fall into three broad groups: Those which may result in a large loss and should be covered regardless of odds; those to which the business is constantly exposed and therefore should be insured; and those small loss items which occur frequently.

Stanley A. Gibson, executive state agent of Phoenix-Connecticut group in Massachusetts, and Mrs. Gibson are the parents of a daughter born at Needham, Mass.

E. H. Born, secretary and manager of Western Underwriters Assn., became a grandfather for the first time Oct. 20 with the birth of a son, Gregory, to Mr. and Mrs. Kenneth W. Born of Wheaton, Ill. Kenneth Born is with the Roy Langan agency of Wheaton.

Martin Boyer, president of Martin Boyer & Co., accident control engineering firm in Chicago, has returned from his fifth annual visit to London, England, where he visited underwriters at Lloyds.

The engagement of **Miss Joyce D. Maguire**, who is associated with her father, John J. Maguire, in the A. J. Richardson local agency in McAllen, Mass., and Donald V. Demers has been announced. Miss Maguire is a graduate of Hartford group training center.

Some 80 persons attended a luncheon at San Francisco honoring **Miss Gloria Naber**, who is retiring after 37 years with California Inspection Rating Bureau. Among the guests were Commissioner McConnell of California, and officials and members of the governing committee of the bureau. Brief remarks were made by M. V. Gruhn, vice-president of Lumbermens Mutual Casualty and chairman of the governing committee, Commissioner McConnell, and R. G. O'Brien, bureau general manager.

Charles L. Beale, Southwestern Department manager of Yorkshire and past most loyal grand gander of Blue Goose, is recovering from a heart attack suffered early in October. Doctors at Baylor hospital in Dallas report satisfactory progress but are allowing no visitors. He is now completing his 30th year with the Yorkshire Group.

DEATHS

LELAND M. ANDREWS, 49, St. Louis manager of Atwell, Vogel & Sterling, died suddenly. He had been with the company at St. Louis since 1942, becoming manager in 1950.

EUGENE F. ZAHM, 63, retired president and treasurer of the Allen agency of Huntingdon, Ind., died at

The NATIONAL UNDERWRITER

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PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



his country home. He had been in failing health. He had been in insurance for 45 years.

JOHN RYDEL, 67, vice-president and director of Hanover Fire and Fulton Fire, died in New York Hospital after a long illness. He had entered the hospital for an operation in June and after a time at his New York City home, returned to the hospital a few weeks ago.



John Rygel

His death removes one of the key figures in the fire insurance business who got his training and who operated in the mid-west during the great days of the western departments at Chicago. He joined Hanover Fire in 1910 as a member of the company's accounting department in Chicago. He entered the field as state agent in Illinois and Ohio, and eventually became vice-president in charge of the western department.

Since 1948 he has been vice-president at the home office. He served as chairman or member of many important committees of National Board, Western Underwriters Assn., Eastern Underwriters Assn. and others.

Mr. Rygel had a sales personality that was refreshing, and, that, entirely without implications disparaging to him, was eccentric. He had the enthusiasm to transmute the base ingredients of fire insurance into a wonderful, enticing gem. In the old days, he used to make it almost sing, as he got going. It was an insert of the evangelistic spirit of life insurance into the prosaic and pedestrian field of fire insurance. This was especially true when he was in the western department at Chicago. In those days, and especially in the depths of the depression, the zenith in imagination and enthusiasm was required to be a fire insurance lyricist. But John Rygel was just that. Get him going on U&O, for instance, and you were soon panting for it, even though on sober reflection you realized you had no income to insure. He took the complex of the insurance contract and the intricacies of insurers' problems and made a telling presentation, impeccable in order and emotionally compelling. His enthusiasm and imagination were always chained to reality. There was no aimless vivacity to him. He had a whole-souled and ever sensitive appreciation of the stock fire insurance business as an institution. It had no more fervent apostle day in and day out, on the platform, in his office, or wherever he

might be. He had convictions on the rewards to be had by the agent or field man that possessed merchandising zeal and busy legs. He reveled in the comradeship of the business and a sense of humor and warmth of personality kept him out of the zealot's corner.

John Rygel was always brimming with ideas and his intellectual fertility had a polarity for insurance editorial and news men. Giving away trade secrets, it can be posthumously revealed that some of the most widely acclaimed editorials in insurance trade publications were paraphrases of John Rygel gospel.

Looking back, it is unfortunate that this dynamic personality was so singular. In retrospect, what the fire insurance business could have stood a lot more of was this kind of inspirational sales leadership. His worth as an individual was recognized by his contemporaries, but there were too few who understood that his spirit symbolized the way to progress and growth. He had too few imitators.

HARRY GREER, who some time ago was with the Greer agency at Louisville as a partner with his late father, H. C. Greer, died in the veterans' hospital at Louisville.

J. FRANK SCANNELL, 76, former vice-president of Lumbermens Mutual Casualty, former general counsel of Federal Mutual Liability, and a pioneer in workmen's compensation in Massachusetts, died at Boston. He was a director of Associated Mutuals, Boston agency of Kemper group, and of Federal Mutual.

ROBERT W. WHEELER, 67, local agent at South Paris, Me., for 35 years, died there.

EDGAR J. WELLS, 64, local agent at Groton, Mass., died there. He was a director of Excelsior.

CHARLES E. L. KIMBALL, 50, purchasing agent of Employers group, died at his home in Bourne, Mass. He had been in the New England department of Employers since 1929; became supervising engineer in New Hampshire in 1939, and purchasing agent at Boston in 1949.

WILLIAM H. SHAPAKER, 79, founder of the W. H. Shapaker agency of Milwaukee, died after a short illness.

LESTER E. GRUBE, local agent at Sheboygan, Wis., since 1928, died of a heart attack at his home.

WILLIAM V. HINKLEY, 97, director of Illinois Traveling Men's Health (CONTINUED ON PAGE 40)

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New Amsterdam Casualty Company

Homeowners Policies Discussed at N. Y. Forum

(CONTINUED FROM PAGE 5)

that the cancellation depends on the mortgagee. But, he said, be sure to tell the client he'll get a fair and equitable deal.

If the problem of another agent serving the client comes up, he suggested the agent tell the client that if the other agent had thought as much of him as he does, he already would have tried to sell him a homeowners.

The homeowners coverage is coming of age, Edward Ryder, New York man-

ager of the inland marine department of St. Paul companies, said. He explained that the 1952-1953 premiums on homeowners, which did not include the C policy, totaled \$744,000. In 1954, premiums reached \$9,203,000. The 1954 figure includes all installments due this year, not those due over the three year period, he said.

Explaining the principle coverages in the C policy, Mr. Ryder said that the eligibility is the same as for A and

B policies. The C policy covers principally dwelling, additional extended coverage, private structures, personal property, additional living expenses, CPL and medical payments.

The limits of liability in the C policy differ from those of A and B. The mandatory limit is \$15,000, and the contract can be bought in any amount above that. He said he knew of one C policy for \$400,000 on the dwelling and \$400,000 on contents, with a maximum of \$300,000 for CPL and medical payments.

The C policy also covers personal property owned, worn or used by insured with a limit of 50% of the dwelling amount. This not only covers all the owner's property, but would extend to a piece of jewelry or fur borrowed from a neighbor. Personal property amounts may be increased as desired with no maximum limit, he said.

When a fire rating organization, National Bureau or any other rating organization makes a change in its filing, it does not necessarily follow that the change will be made in the homeowners premium, he said. Until Multiple Peril Insurance Rating Organization makes the change, there is none in homeowners.

The client should be told of the deductibles in C. Recent changes in rates anticipate the \$50 deductible, but insured can buy back full cover. However, none of the deductibles applies if the loss exceeds \$500, he noted. Also, there is no breakage exclusion in the C policy. The only thing that would eliminate this coverage is the deductible.

There is also a limitation of coverage of 10% of the amount on the dwelling on personal property permanently located in a secondary location.

The coverage offered on both building and contents is a little different from any previous coverages and will probably take a number of cases properly to evaluate, he said.

At the moment there is no endorsement to include scheduled jewelry or valuable articles. Some companies have a supplement—not an endorsement—which can be added to the policy to provide such coverage, he said.

In questions from the floor after the discussion, J. Fred Waldron of New Rochelle moderated and questions were answered by W. Arthur Quick, general adjuster of Home, George A. Ward of Far Rockaway, N.Y., George Homer of

Mt. Vernon, Mr. Ryder and Mr. Bergen.

How to determine a division of premium in a B or C homeowner policy when the mortgagee pays the premium on the building portion? The panel indicated that usually the mortgagee continued to put the money in escrow and then called on insured to make up the difference at the end of the year. Both the veterans administration and the federal housing administration now accept package policies but it still depends on the mortgagee to determine what kind of insurance he wants on the dwelling.

The C policy does not cover seepage of surface water, Mr. Ryder explained in answer to another question. Leakage is covered if it is caused by overflow through the upper portions of the building, however, he said.

Asked what percentage of a homeowners policy was lost when a dwelling was sold, the panel explained there was no provision in the policy that it was not transferable, but most companies do not like to transfer a CPL. However under the C policy it would be a matter of underwriting policy. It was suggested that insured be impressed, at the beginning of the sale, that he should contact his agent whenever anything happens to his home, including its sale. Then adjustments can be made if the value of the contents is different.

Travelers' Safety Device on World Tour

A safety engineering exhibit showing safe ways to lift heavy materials has been developed by Travelers and will be part of a traveling display planned by the Department of Labor. The exhibit will be on view in many parts of the world, first in Latin America and then in other countries receiving technical assistance from the U. S.

The Travelers' exhibit consists of a manikin with a strong steel spring for a spinal column and joints at the shoulders, elbows, wrists, hips, knees and ankles which can be adjusted to various positions for lifting. Back muscle lifting stresses are registered on a scale mounted near the backbone.

Mass. WC Rate Change

Massachusetts Workmen's Compensation Rating & Inspection Bureau has announced that rates will be revised, effective Dec. 13. There was a \$5 boost in maximum and minimum weekly benefits enacted by the legislature this year, which is expected to produce a slight increase in rates, though there will be both increases and decreases in rates by classification.

U.S. Studies Bond Bids

Internal revenue experts are analyzing the 182 bids received on supplying surety bonds for employees of the service for which the federal government will pay premiums. Some bids are across the board and others are on a district or regional basis. When the analysis is completed enough to determine what the lowest bids are, a conference will be held with Treasury officials before the contracts are let.

Buffalo Agents Elect Turgeon

Oliver H. Turgeon was elected president of the Insurance Club of Buffalo at a directors' meeting. Other new officers are W. Edward Henderson, vice-president; John V. Clark, treasurer; Violet McCarthy, secretary, and John Bigenwald, Hanford Serle, Paul E. Zacharski and Mr. Clark, directors.

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State Fund of N. Y. Asks High Court to Review, for First Time, Hearing Loss Issue

The subject of industrial loss of hearing is knocking on the door of the U. S. Supreme Court in a case that raises several questions and that arises under the longshoremen's and harbor workers' compensation act. Ira S. Bushey & Sons, the employer, and the State Insurance Fund of New York, the insurer, have petitioned the court for a writ of certiorari for a review of a decision in the second U. S. court of appeals.

One argument of State Fund is that there was no impairment of wage earning capacity by loss of hearing and therefore the award to the claimant, Thorleif Johansen, for partial loss of hearing is contrary to law.

Also, State Fund argues, to leave entirely to the deputy commissioners of the compensation district the determination of what an occupational disease is, when it arises and in whose employ the disablement occurred, without any statutory rules for guides of conduct, is an unlawful delegation of legislative power.

Further, the decision of the lower court which held that State Fund was liable because it was the last insurer, thus excluding two other insurers of the same employer, deprived State Fund of its constitutional rights under its insurance contract.

The respondents in the case are Deputy Commissioner Cardillo of the second compensation district, Johansen, the claimant, American Mutual Liability, and Hartford Accident.

Commissioner Cardillo, on July 2, 1954, issued an order awarding compensation against Bushey & Sons and three insurers, American Mutual Liability, Hartford Accident, and the State Fund, on a finding that Johansen had sustained an injury, occupational in character, consisting of a 13.8% bi-natural loss of hearing of a permanent nature, according to State Fund's argument. Johansen had spent 97.34% of his total employment with his employer while the latter was insured in American Policyholders and/or American Mutual Liability; 2.49% with Hartford Accident and .17% with State Fund.

Further, the application sets out, the claimant lost no time from work, his physician testified that the hearing loss existed prior to the time State Fund covered the risk, the claimant was not in any way disabled industrially. The insurers were jointly, equally and severally responsible for the award on Cardillo's order. The district court upheld Cardillo's order, but the appeals court remanded the case with directions to fix the liability not only on the last employer but upon the last insurer. The appeals court relieved Hartford Accident and American Mutual Liability from all liability. State Fund was the "last insurer."

State Fund in its application for a writ of certiorari argues that Johansen was not disabled in the sense that his earning power was affected. It argues that Johansen has not lost any of his wage earning capacity either for his present employment nor for any other type of employment. The claimant is still working at his usual employment and at higher pay.

Pointing out that the question on this point is novel and of first impression—the question of a compensation award in spite of the lack of a wage loss—State Fund contends that "it is an inevitable conclusion that if we ever cut loose from the earning capacity

concept and start recognizing the principle that compensation is payable for physical impairment as such, we will have no way of knowing where the process will stop. The decision of the court below may be very satisfying from an administrative point of view, yet we must take the longshoremen's act as we find it and as the Congress enacted it and we must leave it to the same Congress for its attention to any seeming inequalities or unevenness of coverage."

The fund points out that to give deputy commissioners power to determine all the requirements for compensation without any guides is an unlawful delegation of the legislative power of Congress. It further argues that under a policy the insurer assumes only such liability as accrues during its coverage period, absent legislation to the contrary. The policy does not provide for assumption of liability previously incurred, nor does it provide for the shifting of liability to its successor insurer for liability accumulated during its own policy period. Thus American Mutual Liability was on the risk for 26 years, during which the alleged injury came into being and almost developed to its fullest extent. How can the court below hold State Fund liable for the entire award, the fund wants to know. The fund points out that the liability of the successive insurers differs from that of the insured employer. There is one employer here, and consequently that employer is liable, but with several insurers, the precise point at which liability arises necessarily affects the several insurers. The fund notes that in various states consideration is always given to the fixing of the proportionate share to be charged against the several successive insurers. The limited liability assumed by the insurance contract is always respected.

Dunham, Kruse Promoted by Hawkeye-Security

Arthur Dunham has been appointed production manager for Erie of Des Moines, an affiliate of Hawkeye-Security.

Mr. Dunham has been with the group since 1950. He was an underwriter and field man in Iowa from 1950 to 1953. Since 1953, he has served as manager at Sioux Falls, S. D.

Charles Kruse has been promoted to manager at Sioux Falls, succeeding Mr. Dunham.

Mr. Kruse has been with Hawkeye-Security since 1938. Since 1951, he has traveled southern Illinois.

Houseman Installed as Dallas Agents' President

D. M. Houseman was installed as president of Dallas Assn. of Insurance Agents at a directors meeting last week. Mr. Houseman succeeded Charles R. Eversole.

Other newly-installed officers are: W. Nicholas Williams, 1st vice-president; M. Cullum Thompson, 2nd vice-president, and James Wallace, secretary-treasurer. Jack L. Curtis was named executive secretary.

Ins. Co. of Oregon Votes to Double Capital

Stockholders of Ins. Co. of Oregon have voted to increase capitalization from \$500,000 to \$1 million.

The increase will be accomplished by the sale of an additional 20,000

shares of common stock with present shareholders offered the right to purchase within 30 days at \$31.50 a share. After 30 days, unsubscribed shares will be offered to the general public at \$35 each.

U.S.F.&G. moved its office at Co-

lumbus, effective Oct. 24, to 781 Northwest boulevard. The new office incorporated F. & G. Underwriters, which had been operating independently prior to the passage of the multiple line law. Lewis E. McBride is manager.



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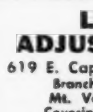
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ACCIDENT & HEALTH

N. C. Sets Conditions for Ridening A&H to Comply with New Law

As an alternative to reprinting A&H policies to make them comply with the provisions of HB 96, the North Carolina department has indicated that companies may use present policies with riders if they comply with these procedures.

1. The required language of the new provision may be printed upon a rider form, which for convenience in reference shall bear the form number HB 96.
2. The rider form shall be securely attached to the policy upon issue and its attachment confirmed by a rubber stamp endorsement in at least 10-point type in contrasting color on the face saying that the policy is subject to North Carolina law requiring notice before non-renewal as set forth in attached rider form HB 96.

3. The rider form, in addition to quoting the required renewability provision, shall amend the policy to delete all reference to renewal at the option of the company and to amend the required grace period provision to change the reference to five days notice of non-renewal to language consistent with the new provision.

4. The rider form shall state that it is a permanent attachment to the policy and cannot be removed during the life of the policy.

5. Any policy form submitted for approval in the future must contain either a printed policy provision entitled "renewability" or comply with the procedure specified by the department. A statement that the endorsement and rider will be used will not be sufficient for approval. Forms which have already been approved need not be submitted for reapproval, but may be used upon approval of the rider.

6. Approval of the use of the rider and endorsement will be contingent upon absolute compliance in all cases. If any company is found to have issued a policy without attaching the rider and placing the endorsement on it, approval of the use of this method of compliance will be immediately withdrawn, and, if license is not revoked, all policies used in the future will be required to contain the printed provision.

A&H to Defend Job It Does in California

The A&H industry in California will get an opportunity to explain the job it's doing at a public hearing to be conducted in San Francisco Nov. 3-4 by a finance and insurance interim subcommittee of the California assembly.

The hearing is the outgrowth of complaints of many individuals who feel they "don't get their money's worth out of health insurance policies," and of federal trade commission charges of misrepresentation against certain companies.

Jack A. Beaver, general insurance broker of Redlands and chairman of the committee, said he personally feels satisfied that the insurance industry is doing a good job, and he wants to give it an opportunity to say so publicly.

Mr. Beaver said he has been deluged by letters from persons he calls "socializers," people who want to use

his subcommittee hearings as a springboard for discussion on socializing the insurance industry.

An outline of information to be presented at the hearing follows:

1. Approximate number of people in state covered by voluntary health insurance, extent and type of coverage.
2. Breakdown of the premium dollar into percentages used for administration and benefits.
3. Approximate expenditures by the people for their health needs with a breakdown according to income groups.
4. Safeguards employed to prevent or control abuses by patients, hospitals, doctors, or insurers.
5. Examination of the nature of complaints against current coverage.
6. Plans for extension of service to provide for preventive medicine, catastrophic and chronic illnesses and retired people.
7. Major hindrances to expansion.
8. Impact of the activity of the non-admitted insurers upon the total insurance activities in state.
9. Recommended legislation.

Diamond Match Offers A&H to Retired Employees

Diamond Match Co. is offering a program of hospitalization and surgical insurance for employees who retire after 10 or more years of continuous service. The program supplements the present group plan and includes hospital benefits of \$10 a day for 31 days, plus an extra hospital fee up to \$200 and surgical benefits up to \$250. The coverage is written by Aetna Life.

The maximum payment for both hospital and surgical is \$1,000 each for both the employee and spouse during their retired lifetime. The cost of the additional benefits is \$2.50 a month each for the retiring employee and the employer.

Chicago A&H Roundtable Holds Second TB Session

Chicago A&H Roundtable's October meeting featured two movies on tuberculosis and a panel discussion. One film, "The Inside Story," presented a scientist-physician telling the story of TB findings by means of charts, drawings, plastic models and scientific instruments. The second, "Diagnostic Procedures in Tuberculosis," showed the method of staining of sputum, the tuberculin test and x-ray film.

Don Sildorf, Combined, moderated the panel discussion during which Edward Ryan, Municipal, and Charles Brock, United, discussed initial underwriting with TB history and post claim respectively.

Gold Sees No Increase in A&H Rates in N. C.

Commissioner Gold of North Carolina says he has seen no evidence so far of a move to increase A&H rates or for a general withdrawal of companies because of the new A&H law which requires notice before terminating a policy. He said that so far only one company has notified his office it will withdraw from the field. This was Federal Life of Chicago, which had only a negligible amount of business in the state.

Mutual Benefit H&A. Says Women Lead in Sinus Cases

Women have more sinus trouble than men, according to a study of benefits paid to policyowners of Mutual Benefit H&A.

Of all women disabled, nine of every 1,000 were for sinus trouble. This compares to eight of every 1,000 men and six of every 1,000 children.

The study covered more than 950,000 cases in the files of the company.

Combined's New Policy Gives Coverage for 1,000 Days in Hospital

Combined of Chicago has begun issuing a hospitalization policy that provides coverage for 1,000 continuous days in the hospital. This compares with normal hospital coverage of from 30 to 90 days.

Combined's new policy gives room and board up to \$15 a day (aggregate \$15,000), up to \$500 for surgical operations, and miscellaneous expenses in units of \$100, \$200, or \$300, depending on length of stay in the hospital, on a blanket and unallocated basis. All premiums paid for 10 years are returned in the event of accidental death of the principal insured. There is coverage for polio from \$1,000 to \$2,500.

Publish PR Tips for A&H Agents

"You as a Public Relations Expert" is the title of an eight-page booklet published by the public relations committee of International Assn. of Underwriters A&H. It was written by Earle R. Bennett, Provident L. & A., Tampa, Fla., chairman of the committee and vice-president of IAAHU.

The booklet contains suggestions for the agent in building public relations and good will for the business in his community and suggestions for public relations as a member of his trade association.

Plan Honolulu H&A Assn.

Preliminary steps have been taken to form an A&H association in Honolulu, to be affiliated with the international association.

The Portland (Ore.) regional group office of Mutual Benefit H. & A. and United Benefit Life has been moved to 3122 N. E. Broadway. The office serves Oregon, Washington and Idaho. E. L. Placek is manager.

FIELD

Macauley in Eastern Field for Dubuque

Donald J. Macauley has been appointed special agent by Dubuque F. & M. for New Jersey and metropolitan and suburban New York. He was formerly with American in New Jersey, Johnson & Higgins in New York City, and in the agency field. He will have headquarters in the newly established eastern department of the company in Union, N. J.

McQuade, Derrick Named on Coast by Hartford Fire

Charles J. McQuade, special agent for Hartford Fire at San Jose, Cal., has been transferred to Sacramento. He will be associated there with veteran special agent, Paul B. Schlosser.

Bert Derrick has been appointed special agent for the fire and marine department at Seattle, servicing the business in the western half of the state. After several years in fire underwriting and field work in Oregon, Mr. Derrick recently joined Hartford and spent some time in the Pacific department headquarters at San Francisco.

Oxnard, Col., Inspected

Fifty members of Southern California Fire Underwriters Assn. inspected Oxnard, checking a total of 793 buildings.

Howard Swift, engineer of the Pacific Board, spoke at the banquet,

which was attended by 175 persons. Mr. Swift reviewed the advance in fire fighting facilities in the last 100 years.

Fireman's Fund Names Gast, Barberi to Ohio Field

Fireman's Fund group has named Robert Barberi marine special agent for northern Ohio and John Gast marine special agent for southern Ohio and Kentucky.

Mr. Barberi, who has had previous experience in the marine field, will be assisted at the Cleveland office by Edwin A. Kaeser.

Mr. Gast, formerly in the marine field at Detroit, will succeed James A. Peterson, who has resigned to enter the agency field. Mr. Gast will have headquarters at Cincinnati.

Royal Exchange Group Names Bedell in Ohio

Royal Exchange group has appointed Richard J. Bedell special agent in Ohio where he will cover the northeastern part of the state and assist Robert J. Gray, state agent. Mr. Bedell will represent Royal Exchange and Provident Fire. His office is at Columbus.

Western and southern sections of the state are covered by Robert E. Cogan, special agent, who also works out of Columbus.

Mr. Bedell has been with Ohio Inspection Bureau.

To Inspect Walden, N. Y.

At the October meeting of Albany (N. Y.) Field Club, Walter Brooks, deputy insurance superintendent, discussed the new license rules and related problems. H. Summer Stanley, general manager of New York Fire Insurance Rating Organization, discussed changes contemplated in the Albany rating office.

Poughkeepsie Field Club, represented by Ned Brindley of Hartford Fire, announced that arrangements have been made for a town inspection of Walden, Nov. 1. The Albany Field Club will cooperate in this joint inspection.

Holt Joins Toledo Agency

Harmon S. Holt, state agent of National Union at Toledo, has resigned and is joining Insurance Agency, Inc., of Toledo as supervisor. Mr. Holt, a graduate of Illinois Tech, has been in insurance for 25 years, starting with Kansas Inspection Bureau. He has been with National Union for 10 years.

Education Clinics in Ky.

Kentucky Fire Underwriters Assn. this week conducted educational programs at Lexington, Somerset and Bowling Green. This was the second annual educational program for agents, and the topics included business interruption, homeowners, comprehensive personal liability, farmer liability.

Revise Mo. Inspection Dates

Missouri Fire Prevention Assn. has postponed its scheduled inspection of Columbia from November to the spring of 1956. Another town will be inspected during the fall, with Neosho a likely choice.

Field Men to Hear Detective

Harry A. Cross Jr., Hartford manager of the Pinkerton Detective Agency, will address the Nov. 7 meeting of Connecticut Field Club.

Inspect Weston, W. Va.

Weston was inspected by West Virginia Fire Prevention Assn., a parade was held during the day with

a banquet concluding the activities. A. L. P. Schmeichel, chief engineer of West Virginia Inspection Bureau, spoke at the banquet. Turner L. Sturm of Ohio Farmers heads the fire prevention association and Chester Eaton of New Hampshire Fire is secretary.

Transfers to Pittsburgh

Fire Association has transferred R. Wayne Sonneborn, special agent in Minnesota, to the field office at Pittsburgh as special agent. He is a graduate of the group's special training school and for two years has been specializing in sales work in Minnesota.

Mrs. Mayhew P. Jones has been elected president of the Women's auxiliary of Tennessee Blue Goose. Other officers are: Mrs. Felix Ray, and Mrs. Clarence G. Sullivan, vice-presidents; Mrs. Harvey Goranson, treasurer; Mrs. George C. Cartwright, secretary.

Hawley Describes Surplus Line Operations in Talk to Indianapolis Board

Louis F. Hawley, president of Newhouse & Hawley, Lloyd's correspondents of Chicago, addressed the October meeting of Indianapolis Insurance Board, describing the mechanics and procedures involved in placing surplus lines business. Up until this year, it was illegal for Indiana agents to place business with non-admitted companies, but the 1955 legislature made the placing of such business legal, after an intensive effort to place the business with admitted companies had failed. Mr. Hawley briefed board members on the procedures they might follow and problems they might encounter under the new law. He also presented a history of Lloyds and explained how American business is handled through Lloyds now.

Aetna Fire Opens New Pa. Claim Office

Aetna Fire has opened a claim office in Harrisburg, Pa., with Richard W. Saksa as manager. He has been an adjuster at Washington, D. C., three years. Previously he was an investigator and adjuster for a transit company there.

Insurers Win Awards

Farmers Mutual Hail of Des Moines has won a "Joshua" award certificate for large sized match books distributed in cellophane packages advertising the company's coverages. The awards are made by the match industry.

The Neil Johnson agency of Alexandria won in the agent's field with a giant sized match book which carried a plea for safe driving.

Manufacturers Mutual Fire of Providence won in the fire insurance category.

North America Annual Report Wins Awards

North America group's 1954 annual report has won two awards in a survey of annual reports conducted by *Financial World*, national weekly financial paper.

A silver trophy for the annual report, rated best of all financial institutions by an independent board of judges, was presented to President John A. Diemand by Weston Smith, vice-president of the magazine, at a dinner in New York.

The company also received the top oscar in the property insurance industry classification. This is the eighth time North America has won the trophy in the 11 years the annual statement has been entered in the survey.

In addition the report placed third in the competition for the gold oscar, awarded for the best statements among 5,000 submitted for more than 100 different industrial classifications.

Chicago Graduates of Institute Course Are Given Certificates

Ten graduates of the Insurance Institute of America course, given through the evening school of Illinois Tech and sponsored by Insurance Society of Chicago, were awarded their certificates Tuesday at a luncheon in the Union League Club.

The graduates are: L. A. Dombrowski, Liberty Mutual; J. B. Fiedler, Royal-Liverpool; D. W. Jessup, Continental Casualty; W. H. Land, Country Mutual Fire; T. R. Forbes, America Fore; C. S. Cichon, America Fore; P. E. Bremneour, America Fore; D. W. Orr, America Fore; H. I. Laniado, J. H. Lea & Co., and C. R. Douglas, Continental Casualty.

D. P. Skaer, assistant manager of Cook County Inspection Bureau, chairman of the Insurance Society, presided at the luncheon. The certificates were awarded by Prof. John Ahern of Illinois Tech. The course is conducted by Illinois Tech as part of its evening division.

Speaker at the luncheon was Stanton E. Winston, dean of the evening division of Illinois Tech.

Among the guests were representatives of the seven organizations in Chicago which comprise the Insurance Society. These are Chicago Board, CPCU, Assn. of Casualty & Surety Managers, Cook County Inspection Bureau, Insurance Brokers Assn. of Illinois, Illinois Tech and Western Underwriters Assn.

John S. Rose has been named adjuster-in-charge at Oakland, Cal., for Brown Brothers adjusters. Mr. Rose has been with the firm since 1945 and prior to that was with Travelers for 10 years.



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More than 6,000 people registered at the booth maintained by South Dakota Fire Underwriters Assn. at the 1955 State Fair. The public showed interest in the display and the field men answered many questions about insurance. The association plans to make the venture an annual one.



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Auto Problems Leading Topic of N. Y. Regional

(CONTINUED FROM PAGE 11)

dergast, New York director of safety, have both endorsed the program, he said.

Speaking on the NAIA contest for a slogan or name describing the independent local agent, Robert J. Stearns of Poughkeepsie, president of Dutchess County Assn. of Insurance Agents, suggested that service or the lack of service will be the prime factor in motivating clients to advertise the local agent's product.

The large direct writers also are stressing service, he said. They are able to offer service nation wide because their agents are in every hamlet and town. Local agents are found in every area of the nation, he said.

It was the agents' failure that made the direct writer what he is today, he said.

Statistics must be kept up to date so that rates are based on true experience, and the class 1-C to work should be taken out of the manual and buried.

He suggested that companies sponsor a first class TV show of *Dragnet* quality with the commercials telling the service of local agents.

Ben Hemley of Jamaica said that an agent's seal on a policy is as good as the *Good Housekeeping* seal of approval, and urged that agents not represent any company that does not support the agent.

David S. McFalls of New York City discussed the speakers bureau and said that there are now 50 speaking engagements booked to be given by agents and company men. To date this year 29 speeches prepared by the bureau have been given. The most popular one so far is that on highway safety.

Kenneth W. Haslam of Rosedale, co-chairman with Herbert L. Brewer of Lockport of the membership committee of the state association, noted that the association had gained 116 new members the past year.

J. Fred Waldron of New Rochelle, president of Suburban New York Assn. of Insurance Agents, presided at the morning session and Joseph K. Wright of Nyack, regional vice-president of New York State Assn. of Insurance Agents, was in charge of the afternoon session.

The suburban association sponsored a cocktail party before the dinner.

Arson Talk at Minneapolis

MINNEAPOLIS—"The Insidious Arson Racket" was the topic of a talk at the October meeting of Insurance Club of Minneapolis by Ernest D. Grossman, special agent in the arson division of the National Board.

Crockett Joins Fire Association

E. Berkley Crockett has joined Fire Association as special agent at Baltimore.

Push Cal. Education Program

LOS ANGELES—Insurance Institute of Southern California has been organized here for the purpose of providing new courses in practical insurance education. The courses will cover all lines, agency accounting and office management and preparation for CPCU examinations.

Hartford County Mutual Contest

Hartford County Mutual Fire is again sponsoring a contest for volunteer fire departments to encourage better fire prevention and fire fighting methods and facilities. The company will give \$5,000 in awards for outstanding volunteer departments.

Factories Lax in Fire Prevention, Chief Says

Many businesses think a fire safety campaign consists of putting up pretty posters, Fire Chief Henry G. Thomas of Hartford fire department said at a seminar sponsored by the fire department, the chamber of commerce of Hartford and Hartford County Industrial Fire Prevention Assn.

The chief emphasized that "posters and pep talks are not fire prevention, and hand-bills are nothing but waste paper." He urged that companies have a planned program for fire prevention under the guidance of a safety engineer. Most industrial fires become serious because they are not reported in time, there are no automatic safety controls or there is no attempt to limit fire areas by means of fire partitions, fire walls, fire doors and clear spaces, he said. He suggested all businesses take the precautions of trained watchmen, automatic alarms or automatic sprinklers.

Allen Heads Mutual Accountants Assn.

Raymond T. Allen of Providence Mutual has been elected president of Assn. of Mutual Insurance Accountants at Boston. Other officers are Fred Hodgson of Berkshire Mutual, vice-president; Walter G. Graves of Fitchburg Mutual, treasurer; and F. B. Esau Jr. of Pawtucket Mutual, secretary.

Boston CPCUs Elect

New officers of Boston CPCU are Francis J. Lanvin of Globe Indemnity, president; Joseph C. Himmel of Boston, vice-president; Peter Salvaggio of American Casualty, secretary; Leo Beevy of Patterson, Wilde & Windeler, treasurer; and William F. Doran of Crum & Forster, Edward V. Leveroni of Employers, and Edmond L. Bouchie of Loyalty group, executive committee.

Tenn. Reports on FR Experience

Tennessee has revoked the driver's and vehicle licenses of 5,723 auto owners during the first nine months for failure to comply with the financial responsibility act. Road blocks are being set up by the state safety department in an effort to detect drivers who continue to drive after revocation of their licenses.

Minn. Buyers Hear Auditor

F. L. Moore Jr., audit manager for Arthur Anderson & Co., talked on "The Auditor and the Company's Insurance Program" before the annual meeting of Minnesota chapter of National Insurance Buyers' Assn. at Minneapolis.

C. J. Schukman has sold his agency at Hays, Kans. to Edward J. Wilson and E. Jerry Wilson and will devote his time to life and A&H selling.

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Rate Bureau Men Are Trained for Emergency Adjusting

An experiment in providing additional adjusters for emergency catastrophe work has



H. Sumner Stanley

proved successful and may turn out to be a pilot program for adoption over the country. Field inspectors of New York Fire Insurance Rating Organization some months ago were given special training and subsequently undertook practical experience in the field, in catastrophes in the southwest and in Billings, Mont.

NYFIRO now has a corps of men who will be available for emergency service in their territory in case of future need.

Tremendous adjusting problems were created by the deluge of claims of the extent and variety of those that followed the hurricanes of 1954. The scope and insurance effect of such storms in recent years have increased enormously, and at such times there is a great need for qualified adjusters to expedite the adjustment of losses and render the service the public has come to expect of the insurance business. The problem is a business-wide one, and one which has been receiving serious consideration from all elements in the business.

General Adjustment Bureau on occasion has recruited and trained damage inspectors in order to speed up the adjustment of storm claims. This is, however, only a temporary expedient, since the inspectors are employed only for the duration of the emergency.

H. Sumner Stanley, general manager of NYFIRO, suggested a plan of providing a stand-by corps of trained storm inspectors available for any emergency storm adjusting operations, and for that type of adjusting work only.

Recognizing the important public relations aspects of catastrophe claims work, Mr. Stanley felt that the field inspectors in his organization could become valuable aids in storm adjustments. He believed that perhaps as many as 25 or 30% of his field staff could be relieved of regular duties for temporary catastrophe work. This meant that about 50 men would be available in times of emergency to assist in meeting any extraordinary flood claims which might arise in the territory in which his organization operates, when assistance of this type would benefit the business.

Under Mr. Stanley's program the field inspectors of NYFIRO would, in groups of 20, be schooled by General Adjustment Bureau as damage inspectors. Because these were insurance men, trained in the inspection of buildings for insurance purposes, it was believed they could quickly assimilate a course of instruction to prepare them for this type of work. GAB convened the first such concentrated course of study in June. The high grades attained by the men indicated not only the ability of the men but

their interest in the subject matter.

Before the second class was scheduled, a series of windstorms in the southwest provided an opportunity to test the effectiveness of the program. Eleven members in the first class were sent to the southwest for training in the field. During this period all expenses were borne by GAB and the men were transferred to its payroll. Working directly with experienced adjusters, the damage inspectors were the beneficiaries of valuable advice and practical experience which was soon to receive additional testing.

The heavy volume of losses resulting from the hail storm in Billings afforded the opportunity to give the men broader field experience. After a short period of indoctrination in the type of damage to be expected, local policy forms and material costs, the men from NYFIRO began immediately the inspection of losses and the preparation of estimates. While working under the supervision of experienced adjusters, these men actually adjusted an appreciable volume of small losses.

With the return of the men to their home bases, the experiment was carefully evaluated. Individual reports on each man were received from the field and these indicated that the men had adapted themselves very quickly to the conditions in each locality and proved their effectiveness not only as damage inspectors, but as adjusters of small losses. The results have been so satisfactory that the classroom training will be extended to all the field forces of NYFIRO, in this way providing a reservoir of qualified manpower to be tapped only in the event of a major catastrophe within the areas served by that organization.

This plan appears to be the best solution found to date for the procurement of additional qualified manpower when required to meet the thousands of claims produced by the great storms of recent years, according to GAB. When emergency arises, not only will qualified manpower be immediately available, but, unlike the temporary employment of storm damage inspectors, the services of these men will remain available in the future. A similar program of training, if carried on in other rating organization jurisdictions, would do much to solve the emergency manpower problems created by catastrophes, GAB states.

Insurance Phone Directory for Dallas, Houston Ready

The insurance telephone directory for the growing insurance cities of Dallas and Houston is now off the press. Copies may be obtained for \$1 each from the National Underwriter Co., 420 E. 4th street, Cincinnati.

Charlton Heads Louisiana Rating, Fire Group

Edward W. Charlton Jr. has been elected president of Louisiana Rating & Fire Prevention Bureau. Other officers are Harry G. Spaulding Jr., vice-president; and Parker A. Wiggins, secretary-manager.

At the annual meeting in New Orleans, Jules E. Simoneaux, retiring president, spoke on the progress of insurance towards improving service to the public. Mr. Wiggins also spoke.

Mutual Accountants to Meet

Mutual Insurance Accountants & Office Managers Assn. will hold its annual meeting Nov. 19 at St. Paul in the home office building of Mutual Service group.

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(CONTINUED FROM PAGE 1)

home office staffers should similarly be exposed to the field.

Following Mr. Songer was a panel on new developments in substandard underwriting. The objective was to bring out what companies are actually doing in this field.

Fred T. McCann, Continental Casualty, said he had discovered a reluctance on the part of his company's agents to submit substandard business. "The agents and field forces must go through a period of re-education. We as underwriters have been discouraging this type business for many years. Now, we have had a complete reversal in our attitude and it is our job to institute an educational program for both our agents and the public at large.

"Any company entering the field of substandard underwriting must realize that it will take at least five years' experience and a considerable volume of this type business in all the impaired categories before any experience can be accumulated and analyzed to determine whether or not the problem has been approached correctly. It is possible after this experience is tabulated, the results may change our thinking in our so-called 'standard' underwriting."

According to E. F. Brewer, Republic National Life, his company started accepting diabetics at standard hospital and surgical rates in cases where a complete life insurance work-up had been done. This was in 1947. "After approximately three years of accepting hospital and surgical on diabetics, we felt that in view of the rather excellent experience we had, we could offer commercial A&H coverage for a maximum of \$100 per month, not to exceed 12 months. Again, we did not ask an extra premium because of the impairment.

"In 1952, we extended our acceptance of a few so-called substandard A&H cases, such as cases presenting past history of mild gallstone attacks, acute kidney situations and others. In these particular cases we increased our premiums from 25 to 50% and were careful to stay within limited coverages, generally not more than 12 months."

Arthur J. Kern, Inter-Ocean, described his company's special risk program. With Inter-Ocean, a physically impaired person insured with the company for at least two years will not be non-renewed if the sole reason for non-renewal is impairment. Policyholders who were formerly non-renewed because of physical impairment, are now transferred to a special risk pool and their insurance continued—policies up to \$400 monthly indemnity, and \$15 daily room rate. A 9-month recurrence of disability clause and a deductible are added to the contract. Special risk pool cases are transferred out of the agent's account and he gets no further commissions on this business.

Six hundred and seventy-six policyholders have been continued who might have otherwise been non-renewed. Experience has been favorable and the agents feel the program builds their prestige.

Winding up this panel, Stanford Miller, Employers Reinsurance, reported on accomplishments of the subcommittee on substandard risks of task force 3 of the Joint Committee on Health Insurance. This all-industry subcommittee has set out to find out

if there are inadequacies existing in private insurance substandard facilities. If there are, the committee aims to single them out and encourage companies to eliminate them.

Dr. Proctor Waldo, Washington National, discussed underwriting of back injuries. "We try to appraise the type of policyholder we have. When the insurance has been in force at least two or three years and the claims therein appear to have been reasonable, we like to avoid using any riders. If our appraisal indicates we had the full facts when the policy was originally issued and claims have been due entirely to conditions arising since then, we feel that the possibility of new conditions developing was the reason the policy was purchased and was what we were insuring.

"If the previous claim experience has been good and the additional risk is not too great, no action is taken. Restrictive action is reserved for those cases where either the total claim experience has been so poor or the additional hazard is so great that future risk cannot be assumed without such action.

"Cancellation is reserved for cases involving malingering, fraud or those cases in which a rider could not be made to reduce the severity of the risk."

The second day began under the chairmanship of T. T. McClintock, American United Life. He is chairman of the conference hospital and medical committee that sponsored this portion of the program.

"The effects of an increase in workmen's compensation benefits," according to Victor Farnitz, Combined, "would be adverse where duplication or overlapping of coverage already exists." His topic was the problem of "Workmen's Compensation—Excluded or Not Excluded—as it Affects Hospital and Medical Insurance."

"However, the effects can also be advantageous to the industry because increases in workmen's compensation benefits will undoubtedly bring workmen's compensation benefits and non-occupational benefits provided by individual and group carriers closer together.

"At Combined, we have adopted the procedure of issuing two contracts—one with a workmen's compensation exclusion and one without—issuing the latter policy to those individuals who are not covered by workmen's compensation, and charging a proportion-

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Views on "Hospitalization, Past, Present and Future" were presented by G. H. Carlson, North American Accident of Chicago. "I foresee the day when hospitalization insurance as we know it will cease to exist. I am convinced the answer lies either in higher limits of coverage with a deductible feature, or a major medical plan without any basic hospital plan to take up the slack. With either of these plans, we would be getting back to the true insurance concept, the insuring of a loss which would prove to be of serious economic consequences."

Robert Ryan, Royal-Liverpool group, commenting further on major medical, said the coverage has its limitations. "Recognition of these will encourage our industry to learn more about what to offer and how to offer it. In the sale of major medical, agents will gradually become accustomed to do a much more thorough job of field underwriting. More time will be devoted to the initial sale with far less time wasted in correcting later difficulties. We must face up to the challenge of this new market and gain the confidence of the insuring public. I believe major medical has now passed through infancy and adolescence where decisions were met from day to day and actions taken in terms of immediate expediency."

Charles N. Walker, Lincoln National Life, analyzed his company's experience with deductible hospital insurance. Deductible hospital insurance cuts claim administration costs in half; costs the policyholder a third less than ordinary hospital insurance and yet pays agents just as much commission.

"A higher proportion of our deductible policies are sold on a family basis than was the case with nondeductible forms—58% against 51%. As might be expected, the \$50 deductible is more popular than the \$100 deductible, 66% of the policies being for the lower deductible amount. Even after adjusting for the difference in maximum issue ages, the deductible policies have a somewhat older age distribution. Ages under 40 are still the biggest source of business, however, accounting for half the business. In a check of a sample of the business, we found that applicants for the \$50 deductible policy had an average annual income of \$5,000. Applicants for the \$100 deductible policy had an average annual income of \$7,200. We also found that 42% of the policies are sold to applicants with incomes under \$4,000, and 69% are sold to applicants with incomes under \$6,000."

Speaking of the industry generally, Mr. Walker said: "At the present time there are two distinct types of deductible hospital policies being sold. The first is patterned somewhat after the major medical policy, featuring a blanket, or unallocated, type of benefit. The typical policy in this category will provide payment for all hospital expenses in excess of \$300 up to a maximum benefit of \$5,000. The second is patterned after the typical hospital and surgical policy. It has a daily hospital benefit with specific limits on the daily amount and maximum duration; a miscellaneous hospital expense; and a surgical schedule. Benefits for physician's fees and nursing fees may be included or made available by rider. In fact the only thing which distinguishes it from the typical hospital and surgical contract is the presence of the deductible amount."

The final portion of the program

was presided over by W. A. Sims, Business Men's Assurance. He also moderated the case clinic for lay underwriters—a discussion of actual underwriting cases submitted anonymously by companies.

"An experienced A&H underwriter must recognize that in the majority of cases to be dealt with, there is seldom only one correct answer possible. In each given situation, therefore, it becomes the task of the underwriter to pick out the most practical or logical answer based on existing circumstances."

Panel members included Charles M. Barry, Ohio State Life; J. Noyes Crary, Connecticut General Life; Harry L. Graham, Bankers Life of Nebraska; Malcolm G. Pittman, Gulf Life; Albert Robins, Loyal Protective Life, and Joseph M. Ryan, Metropolitan.

A second case clinic, dealing with medical situations, was moderated by Dr. W. H. Scoins, Lincoln National. Dr. Scoins said, "All companies should want to avoid the stigma and poor public relations which arise when it appears that the policyholder is re-underwritten at the time of a claim and the policy either not reissued or is reissued with restrictive clauses. Where the moral hazard is unquestioned, and only medical information is concerned, the original underwriting can only be sound if the information is properly evaluated."

Panel members were Dr. Harold R. Leffingwell, Paul Revere; Dr. Charles B. Ahlefeld, Business Men's Assurance; Dr. John E. Boland, North American Accident of Chicago, and Dr. E. B. Williams, Wisconsin National Life.

Temperance Exchange Opens H. O.

WALLA WALLA—Temperance Insurance Exchange, headed by R. R. Thrasher, president, has opened its home office building on the Oregon-Washington highway at Stateline. The company has written more than 1,000 policies for fire, auto and casualty.

State Auto of Columbus Expands

State Automobile Mutual of Columbus has been licensed in Alabama, Florida, and Georgia, and is now in 17 states. The company recently opened new branches in Lansing, Mich., and Nashville, Tenn. It has acquired a tract immediately north of its building in Columbus to be used for future expansion.

Umland Heads Pacific Claims Executive Group

Charles R. Umland, Pacific department casualty claims manager for Fireman's Fund group, was elected president of Pacific Claims Executives' Assn. at the annual meeting in Seattle. Also elected were Kenneth Hawkes of Northwest Casualty, Seattle, vice-president, and William W. Dashiell of Civil Service Employees, San Francisco, secretary-treasurer.

Panel discussions on claims supervision, new methods of investigation,

new approaches to settling liability cases, trial counsel, statistics and other common problems were held at the meeting.

Speaker at the banquet was Donald F. Hayne, head of the insurance department of the University of Washington.

Meet on New Alaska Commissioner

A meeting of the insurance commission of Alaska has been scheduled for this week in Juneau to make final selection of a new commissioner to replace Neil Moore, who resigned.



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T. A. Garvey Explains Changes in Liability Form to Buyers Group

Despite rewording of policy language under recent changes in liability forms, Thomas A. Garvey, compensation and liability manager for Kemper midwest agency department, told the October meeting of Mid-West Insurance Buyers Assn. in Chicago that he didn't want to create the impression that there have been wholesale changes in the policy format. Actually, he said, the old form was a pretty far-seeing document.

After spelling out the difference between comprehensive general liability policy and the various schedule forms, Mr. Garvey outlined the changes that have been effected under the new forms with respect to coverage, exclusions and conditions.

Under the OL&T policy, the old form keyed the grant of coverage to the purpose of use of the premises as

it was stated in the policy declaration, he said. Under the new form, he explained, the insuring agreement relates to the ownership, maintenance or use of the premises without restriction. "In other words, the conversion of use from a retail drug store to some other form of enterprise would not in itself take away coverage."

Similarly, he said, under the M&C form, the old policy applied to designated premises. The new printing applies to all premises and all operations, including those rated as OL&T exposures.

Mr. Garvey said both OL&T and M&C also have been broadened somewhat with respect to the "definition of insured."

Formerly, in addition to the name stated in the declarations, the insurance applied to partners, executive officers, directors and stock holders while acting for the insured in one of these capacities. The definition now includes any organizations or proprietor with respect to real estate management for the insured. Partners also are now insured for their liability as partners as distinct from their individ-

ual liability while acting in the capacity of a partner.

Mr. Garvey also pointed out that the definition of products now makes it clear that the insurance afforded applies to any container in which the product is sold or delivered, except vehicles and vending machines. Also under the products section, completed operations have been rephrased so as to include a phase of an over-all operation.

Passing on to exclusions under the new form, Mr. Garvey told the buyers they probably would find that a "horse of a different color."

First, he said, there has been added as respects medical payments and contractual liability, an exclusion as to war, civil commotion, insurrection, rebellion or revolution. It is felt that claims from such a source are hardly a legal liability and the assumption of such a peril is done to further the insured's own ends and therefore should be at his own responsibility.

Secondly, a liquor law exclusion has been added as to manufacturing, selling or distributing alcoholic beverages or to an owner or lessor of premises used for such purposes.

Mr. Garvey said one of the least understood exclusions, that relating to "care, custody and control" has been amplified so it now applies to property over which the insured is exercising physical control at the time of the accident. The new wording spells this out more distinctly, Mr. Garvey said, "but I would venture to say that we will see more adverse decisions (judicial) and further revisions of this exclusion will be necessary."

The contractual liability coverage also has been redrafted so as to eliminate coverage for persons who are not parties to the contract, Mr. Garvey explained.

As far as conditions are concerned under the new form, Mr. Garvey said he believes changes made in this section are primarily in the interest of the policyholder. For example, in the schedule policies, the automatic coverage provision has been extended from 15 to 30 days. The definition of automobile has been modified to indicate more clearly the types of vehicle intended to be automobiles, the coverage for which is excluded away from the premises. A severability of interest conditions has been introduced for the first time. This, Mr. Garvey said, is the "cross liability" feature so often requested in the past.

Mr. Garvey pointed out that most of the changes he mentioned apply equally to either or both the schedule form or the comprehensive.

Hawkeye-Security has declared a quarterly dividend of 37½ cents a share on common stock payable Oct. 28 to stock of record Oct. 21. The company also announced payment on Oct. 15 of the quarterly dividend on the 5% preferred stock.

Clock Symbolizes Agency, Company Good Relations

A Westminster chime clock presented to Lyman, Richie & Co. agency, Chicago, in 1930 on its 25th anniversary as agent for Ocean Accident, was dusted off and wound up for another 25 years recently when the agency and company marked its 50th year of affiliation.

Laurence S. Jones, U. S. manager of Ocean, and D. W. Murphy, assistant U. S. manager, went to Chicago from New York for the 50th year celebration. Also present was C. C. Raushenbach, Ocean's central department manager at Chicago.

Ocean men also were hosts at dinner to the following agency associates: Elmer D. Becker, president; William G. Johnson, executive vice-president-treasurer; R. K. Ellis, vice-president; E. H. Stuenkel, secretary; W. F. Prindle, retired; D. S. Johnson and Chester Patronski.

N. Y. Engineers to Have Lunch Aboard Ship

Members of New York chapter of Society of Fire Protection Engineers will be guests of the Grace Line for a luncheon aboard the *Santa Paula* Oct. 27, after which the chapter will inspect Pier 57 on the North river, which is of a different type of construction from any other pier in the country.

McFall to Advise S. C. Department Survey

John M. McFall, formerly vice-president and general counsel of U.S.F.&G., and most recently a faculty member of the law school and school of business administration at University of South Carolina, has been retained as consultant and adviser to the committee of the South Carolina legislature which will investigate the insurance department.

The committee will study the administration of the department, the compliance with the examiners' recommendations on the part of the insurers, proposed changes in insurance laws, taxes, and other factors concerning the insurance department.

Mr. McFall was chairman of a committee to study the insurance laws of Maryland at one time.

AIU Woman Speaks on Foreign Insurance

Mrs. Shirley de Lima, executive secretary of American International Underwriters, spoke on foreign insurance at a meeting of Altrusa Club, composed of business women, in New York City. Miss Rita Matthews, casualty underwriter of AIU, accompanied Mrs. de Lima to answer questions on foreign underwriting.

Joins Springfield F.&M.

W. E. Norton has joined Springfield F.&M. group as casualty underwriter in the Atlanta office.

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Johnson Predicts Simpler Reports on Sprinklered Risks

Much of the information now required in inspection bureau reports on sprinklered risks may soon be eliminated, according to H. T. Johnson, superintendent of sprinklered risks for Illinois Inspection Bureau.

"It is entirely conceivable that we may ultimately say simply that the sprinkler equipment is approved and no more, much as we do in the case of a spraying or finishing arrangement —when if it is satisfactorily protected, we cover the entire subject with a simple statement to the effect that the protection and the hazard are properly arranged."

In a talk to Chicago Assn. of Fire Examiners, he said the amount of information required in the reports has continually been reduced as the responsibility for quality and continuance of good sprinkler protection shifted from companies to bureaus. This shift was emphasized when the sprinkler clause was recently changed to require notification to the inspection bureau rather than the company in the event of impairment in protection.

Although the information on sprinkler equipment, supplies and arrangements required on reports of years past could not be classified strictly as underwriting information, it did help underwriters to keep up with developments in sprinkler equipment and the inspection and rating of sprinklered risks.

In urging the installation of sprinkler systems, Mr. Johnson pointed out that any property with value exceeding \$500,000 could pay for average sprinkler installation through premium savings in 10 years. In cases where the cost of supplying adequate water or the cost of installation is excessive, the experience record of sprinkler equipment should in itself justify installation.

"Records dating back to 1897 show that in the some 100,000 fires in sprinklered risks, 96% of the sprinkler installations have operated satisfactorily during fires with about two-thirds of this total accounting for complete extinguishment. The remaining one-third held the fire in check sufficiently to permit successful extinguishment through outside aid.

"The records since 1925 show that almost 40% of the fires were checked by the operation of one sprinkler head and 75% by five sprinkler heads or less," Mr. Johnson said. "In the 4% where sprinklers failed to satisfactorily control a fire, the biggest single reason was closed water supply control valves."

Mr. Johnson outlined the procedure followed by the bureau in sprinklered risk inspection. He said contractors plans must be approved first, then a final working inspection is made and the risk is subject to inspection two or three times a year.

"In accordance with the automatic sprinkler clause, we assume the responsibility of keeping the insurance company informed as to the status of sprinkler protection," he said. "This involves tests of equipment, alarm systems and water supply."

Mr. Johnson praised the companies for cooperating with the bureau in urging insured to provide sprinkler heads for tests or replace unsatisfactory heads. "When this fact has been reported to companies, we find that in-

sured has received a rather rude jolt —suddenly awakening to realize that his coverage is in jeopardy and he moves with haste to replace the sprinkler heads."

Mr. Johnson discussed various sprinkler systems, pointing out that the type of risk and water supply play an important part in determining what type to use.

"The most recent development in the sprinkler industry was the introduction of the spray sprinkler head in 1952," he said. "It is equipped with a solid deflector designed to throw the entire discharge downward on the contents. Conventional heads, on the other hand, discharge 60% of their output on the ceiling. The fire tests, however, proved that lack of direct application was not important since air currents produced by the operation of the spray head result in a vapor and overspray which cools and extinguishes fires above the head in less time than required by conventional heads."

"Rules and spacing concessions in conjunction with the new spray heads are limited to ordinary and light occupancy risks," he said, "but the use of the head regardless of pipe size and spacing rules is almost universal and it won't be long before the conventional head is a thing of the past."

Robert F. Jann, Great American, president of the Assn. of Fire Examiners, presided at the meeting. He introduced new members and appointed a nominating committee to draw up a slate for the association's election next month.

Hospital Fees for WC Cases Litigated in N. Y.

The New York appeals court has upheld the lower court opinion that the chairman of the New York Workmen's Compensation Board has the power to promulgate a minimum fee schedule for hospital charges in connection with workmen's compensation cases. Brooklyn Hospital brought the suit, but the matter is being pursued by the hospital association of the state.

There was one dissenting opinion in the appellate division. Justice Bastow voted to reverse on the ground that the section of the workmen's compensation law under which the board chairman promulgated the hospital fees does not give the chairman authority to promulgate a schedule of minimum fees for hospital services.

Fire Losses Up 2% in Sept., .1% in Nine Months

Fire losses in the U. S. during September amounted to \$65,970,000, a 2.9% increase, according to the National Board. Losses in the first nine months of 1955 total \$668,444,000, an increase of .1% over the first nine months of 1954.

Losses for the above period and two preceding years were:

	1955	1954	1953
Jan.	\$75,265,000	\$86,493,000	\$76,659,000
Feb.	85,046,000	78,928,000	72,706,000
March	88,197,000	84,821,000	83,471,000
April	78,632,000	77,933,000	67,363,000
May	71,789,000	62,282,000	64,239,000
June	70,828,000	65,533,000	67,844,000
July	61,614,000	69,532,000	74,938,000
Aug.	71,103,000	78,163,000	107,713,000
Sept.	65,970,000	64,087,000	68,613,000
Totals	\$668,444,000	\$667,772,000	\$683,345,000

St. Louis Court of the Order of Cat's Meow will have a dinner dance Oct. 29.

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Fireman's Fund Has Changes in Midwest Inland Marine Field

Fireman's Fund group has made several changes in its inland marine department in the midwest.

Lyle Beierlein has been appointed inland marine superintendent in the Cook county office in Chicago. For a number of years he has been marine state agent at Kansas City for the group. James Hersey will continue as

ocean marine superintendent in Cook county.

Robert McDonnell has been named marine superintendent agent in Kansas City in charge of marine operations in western Missouri and Kansas. Mr. McDonnell has been at St. Louis, and he is replaced there by Allan W. Kirgan, special agent.

Allstate has opened a district office at Montreal to handle the Province of Quebec. Roland Mathieu is manager.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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Yes, an experienced Production Underwriter, familiar with all phases of Burglary Insurance and Fidelity Bonds is our answer. We are a large well-known Group of Stock Insurance Companies. You will work out of our Midwest Home Office but most of your time will be spent in our branch offices or with our agents training people to produce good burglary and fidelity bond business.

The salary is open and, of course, your expenses will be paid. Our company benefits are excellent.

Your reply—which will be held in strict confidence—should include a résumé of your experience. Write Box H-95, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIMS SUPERVISOR—PERSONAL INJURY ASSISTANT CLAIMS SUPERVISOR PERSONAL INJURY ADJUSTERS—With or Without experience CLAIMS EXAMINER (Home Office)

We have immediate openings in our Chicago and Springfield, Illinois offices for men 25-40 who are anxious to become associated with a progressive stock casualty company.

We offer excellent opportunity for advancement with liberal salary, group insurance plan, and other employee benefits.

Write and tell us about yourself; Interviews will be arranged on the basis of information contained in your first letter.

LINCOLN CASUALTY CO.
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INSURANCE MANAGER for Southwest Missouri Realitor's Insurance Dept. Must be experienced in Casualty, Marine, Fire (including coverages for commercial risks) and Bonds. Living conditions ideal. Write giving full personal and job history, also age and salary desired. Box H-57, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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25 years old, representing stock companies, volume approximately \$500,000 fire, casualty, surety—Located Central New York. Considerable industry. Owner desires gradual or full retirement. Will consider sole or combine with larger organization who desires to locate Central New York. Address: Box H-66, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT—WISCONSIN

We have an opening for a capable, aggressive, young man with fire and marine experience. State age, qualifications, references and salary requirements. Replies confidential. Box H-79, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Michigan Company has opening for experienced automobile and casualty adjuster. Saginaw and Flint, Michigan area. Give complete details as to experience, qualifications and salary expected. Reply to Box H-82, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Indianapolis Branch of Multiple Line Stock Company requires young man 28-35 with at least five years experience preferably including auto, casualty, fire and inland marine. Replies should include résumé of experience and salary required. Box H-87, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CHIEF ACCOUNTANT

Multiple Line Stock Company, Midwest location. Man between 35 and 45 years of age to assume charge of accounting and statistical operations. Must be familiar with the supervision and preparation of all types of statistical reports and preparation of all information necessary to the filing of annual statements. Salary and bonus commensurate with experience and ability. Address Box H-93, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY MANAGER WANTED

A large Miami, Florida Insurance Agency is seeking a man especially experienced in all Casualty lines, to manage that department. Experience necessary in rating, underwriting, surveys and company presentations. Bonding experience desirable but not a prerequisite. Reply by mail, listing full particulars, education, age, family and church to: Box H-94, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

INLAND MARINE OPPORTUNITY

Large Eastern Multiple-Line Stock Company offers a fine opportunity to an experienced Inland Marine Underwriter as Assistant Manager of growing Home Office Marine Department. Applicant should be under 45 with at least 10 years experience both in Home Office Inland Marine Underwriting Department and in the Field. Submit résumé of experience and qualifications to: Box H-88, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Desires managerial position with casualty company or self insurer. 20 years experience all casualty lines, including workmen's compensation; with home and branch office background. Excellent qualifications. WILL RELOCATE. Address #H-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Are you interested in a seven County area to work with multiple line agents? If you have a couple of years selling experience and want to be part of growing and expanding Michigan Companies—you are offered this—(1) Salary—Commission—Car and expenses. (2) Liberal Employee Benefits. Reply Box H-89, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

German Buyers Compare Notes With U. S. Counterparts

The group of insurance managers of German corporations who are touring several U. S. cities met with several of their American counterparts this week at Chicago, scene of the annual meeting of National Insurance Buyers Assn. and the fall insurance conference of American Management Assn.

The German buyers, whose tour is sponsored by German Educational Travel Assn., compared business methods with the NIBA executive committee at a luncheon Tuesday given by American International Underwriters, foreign risk specialists. Previously the group had made stops at New York City, Hartford and Detroit, visiting both insurance company offices and industrial plants. Another stop was scheduled at Richmond, Va.

Prominent among the guests were Dr. H. H. Koch of Bonn, Germany, and B. E. Kelley and Peter A. Burke of New York City. Dr. Koch is general manager and director of Deutscher Versicherungsschutzverband, e. V., an organization many of whose interests and activities parallel those of the National buyers association, of which Mr. Kelley is president, and Mr. Burke is executive director. Dr. Koch is also advisor on insurance matters to the Bundestag, German equivalent of the U. S. House of Representatives.

Mr. Kelley's comments following Dr. Koch's description of his work with his government pointed up a major difference between American and German insurance systems.

"In this country," Mr. Kelley said, "we believe there is greater flexibility in leaving legislative control of insurance matters with the several states, but this does, also, leave us with the burden of dealing not with one but with 49 sovereign governments. Fortunately, our National Assn. of Insurance Commissioners represents all of these governments and serves as somewhat of a sounding board and a coordinating agency for many opinions, debates, and actions on governmental control of our purchased protection. Insurance buyers in this country have presented their views both to conventions of the commissioner's association and to state legislatures, but only once, so far as I know, have American buyers gone to the federal Congress. In fact, I think American insurance companies have probably not had to go to Congress more than half a dozen times in the history of the business."

Among other interesting sidelights of German insurance pointed out was the fact there are public, or government insurers, in competition with the private companies, both stock and mutual. In some areas of Germany it is obligatory to place the fire cover on the building with the government insurer, though the machinery coverage or liability can be placed with private companies. In other areas insuring with the government company is discretionary.

Compulsory auto insurance is a reality in Germany. The auto registration certificate is not issued until there is evidence of insurance. Experience on this line has not been encouraging it was said, principally because of the scant traffic regulatory laws. For example, there is no speed limit in Germany and it was said drivers do not

observe the rights of way of others as is done in the U. S.

Much of German business is produced through brokers, it was pointed out. That is considered the reputable way to get business, one of those in the group commented.

The social insurance system instituted under Bismarck remains to an extent. Everyone whose monthly income is 600 marks or less is required to avail himself of the government-supported health insurance plan, to which he contributes but a small amount. The benefits, however, do not cover the complete cost of all illnesses. If one's income exceeds 600 marks he can buy private coverage. It is possible for anyone to supplement coverage through individual purchase.

American International Underwriters, host at the luncheon, has offices in all principal cities of the world. The German guests met the top AIU officials in New York last week. Representing AIU were Tord M. Ringdahl, of Frankfurt, regional vice-president for northern Europe; Leonard H. Collier, New York, vice-president; George W. Lutton, Chicago, midwest manager; J. Donald Aldinger, manager in Detroit, and Winthrop Clement, New York, public relations manager.

AIU is well known in the German market, handling coverage there since 1946 for Americans and the interests of American corporations. A separate German corporation was formed in 1952 which handles only marine business, though expansion to a general business is anticipated.

Mutual Agents Set Up Company Liaison Standing Committee

CINCINNATI—The agents' end of the company-agents relations committee, established in meetings preceding the National Assn. of Mutual Insurance Agents convention here and reported last week, came another step closer to completion with the appointment of a NAMIA standing committee on company-agents matters. Members of this group will probably serve on the subcommittees of the company-agents relations body. The appointments were made by President Earl A. Lamb as the convention neared a close.

Chairman of this committee is C. M. Boteler, Washington, D. C., who has been one of the work-horses in the preliminaries. H. D. Bean, Haddonfield, N. J., is vice-chairman. Committee members are E. V. Thompson, St. Louis; R. V. Putnam, Roanoke, Va.; H. E. Uhler, Baltimore; B. D. Sager, Cleveland; J. C. Parsons, Syracuse, N. Y.; Arthur Levy, New Orleans; Milton Kidder, Ft. Smith, Ark.; R. E. Hill, Chattanooga; H. H. Murray Jr., Raleigh, and J. L. Norton, Charlotte, N. C.

The Wednesday morning session was devoted to 10 minute talks, each under the title "My Pattern for Success." Speakers included J. B. Read, Park Ridge, Ill.; J. C. Parsons, Syracuse, N. Y.; A. H. Field, Hickory, N. C.; John Keyser, Kalamazoo, and G. R. McKiever, Miami, A. Charlotte, N. C., sales consultant, Charles Cullen, gave a talk on the requisites of a champion.

R. R. Allsopp, Waynesboro, Pa., chairman of NAMIA's fire and accident prevention committee, conducted a meeting Wednesday afternoon on fire prevention.

The banquet was a huge success and was preceded by a cocktail party given by the Ohio 1752 club.

Urges Program to Combat Industrial Noise Hearing Loss

"Wisconsin's experience with the industrial noise problem shows that a proper program of hearing conservation can prevent liability through hearing loss," Dr. Meyer S. Fox of Milwaukee said at a joint meeting of Casualty Adjusters Assn. of Chicago and Chicago Society of Industrial Medicine & Surgery.

He pointed out that the problem of hearing loss through industrial noise is an old one—but achieved national attention when a large number of claims were filed under New York's workmen's compensation law in 1947.

"Most states award compensation for loss of hearing through accidents," he said, "but only a few provide compensation for loss of hearing through industrial noise. The greatest number of claims have been filed in New York and Wisconsin—with more than 500 in Wisconsin during 1951-53. There is a supreme court decision on the legality of hearing loss compensation

awards pending in Missouri and many states are planning removal of legislative barriers to the payment of claims for partial loss of hearing."

He pointed out that the problem exists in every industrial state and varies only in compensation awards and legal aspects. In this regard, Wisconsin's approach to the problem may help other states, he said.

Dr. Fox said there were many medical and legal questions which had to be answered when the first claims were filed.

Wisconsin's test case was *Anton Woljik vs Green Bay Drop Forge*, Dr. Fox said. In 1953, the supreme court upheld the decision that it was not necessary to stop work or suffer a wage loss to file a claim for loss of hearing as a result of industrial noise.

After the decision, the Wisconsin industrial commission's advisory committee on workmen's compensation recommended an interim law based on wage loss. A total of 441 claims had been filed when the 1953 law went into effect, he said.

After the law was passed, the advisory committee interested the Wisconsin Medical Society in the problem. The society then appointed one committee whose objective was hearing conservation and another to advise the WIC advisory group on the medical aspects of the industrial noise problem.

The committee recommended that sound levels below 90 decibels should not be considered harmful; that for compensation purposes hearing losses should be confined to those occurring for frequencies ordinarily used for speech conversation; that the average hearing loss be defined on a percentage basis of the three average frequencies; that 5% of the total hearing loss be deducted as due to old age for each year after age 50; that hearing testing be done on Monday to determine permanency, and that improvement of hearing through hearing aids or other means not be considered in the awarding of claims.

"The advisory committee met and made its recommendations to the legislature, which passed an amendment to the Wisconsin WC law to deal with loss of hearing due to industrial noise exposure," Dr. Fox said.

The new law provides a schedule which allows compensation of 32 weeks for loss of hearing in one ear and 160 weeks for loss in both ears only as a result of long exposure to noise, he said. It also sets up a statute of limitations on the filing of claims.

"The need for pre-employment hearing tests is pointed out by the provision of the amendment which holds the employer liable unless it is proven that there was previous loss. This is further emphasized by the fact that there was not one reliable hearing record in the more than 500 claims already filed in Wisconsin."

Dr. Fox said that pre-employment testing has shown that 27% of all workers have some hearing loss at the time of employment.

He urged the two groups in his audience to foster hearing conservation through education of management and employees.

Harry J. Hansen of Commonwealth Edison Co., chairman of the adjusters' legal committee, presented a report on recent court cases in Illinois.

President L. A. Stuhr, Employers Mutual Liability of Wisconsin, presided at the meeting and appointed a nominating committee for the association's election in November.

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Deplores Insurer Employee Acting as Part Time Agent

Archie M. Slawsby of Nashua, N. H., addressing the annual convention of Massachusetts Assn. of Insurance Agents in Boston, said he thought everyone knew that many salaried men employed by agency companies are licensed as agents and brokers. He said he thought everyone knew that these men all have their own private production, but in California recently he found there is a statute that prohibits this kind of activity. In talking there with agents from many states he found that this particular practice, which is rampant in Boston and widespread throughout the east, is not countenanced by agents or supervisory authorities in some other sections of the country.

He related a recent incident in which he overheard a company employed casualty underwriter talking about picking up a \$1,500 a year premium during his lunch hour. Yet the policyholder thought he was buying agency insurance and was doing so because he wanted the counsel and services of an independent contractor. The public recognizes the value and independence of the independent contractor agent as a plus factor in insurance transactions, Mr. Slawsby said.

"To discredit captive agents of direct writers as uninformed order takers on a blanket basis is unfair," Mr. Slawsby declared. The captive agent-solicitor knows as much as his employers want him to know. He solicits lines on the forms, however restrictive, his employers want him to sell. The better forms and choices of coverage which the general insurance market place offers are not known to him, and, for that matter, are not available to him.

The prospect who buys insurance from company employees who operate as brokers and agents on the side aren't buying insurance from a direct writer. Yet after the loss, can such a policyholder expect the advice, counsel and assistance of an independent local agent? On hearing about a loss involving one of his personal customers, could he grab his hat and coat and go to the loss? Could he take the time from his regular job to help his policyholder separate the damaged from the undamaged goods, help his customer inventory his loss, and then wait on his customer and the adjuster until they both agreed on a fair and equitable settlement?

Mr. Slawsby wonders if such an agent could discuss objectively his policyholder's plight with an adjuster. Wouldn't he be influenced by the regularity of his pay checks, vacation with pay, sick leave and group insurance, and the promise of a comfortable retirement?

The matter of personal production by salaried employees goes back a long time in Boston, Mr. Slawsby said. It used to be encouraged by men who headed companies and branches, men now gone, to offset inadequate salaries. The public, agents, and employees all suffer from such an arrangement, he believes. Certainly the public might fare a good deal less well, and the company employer gets less than he pays for because the employee is thinking about his collections, loss ratio, important insured who is about to get his license and whose car the employee must place.

Mr. Slawsby calls attention to the

annual statement which asks: "Did any person, while officer, director or trustee of a company, receive, directly or indirectly, during the period covered by this statement, any commissions on business transactions of the company?" One answer read: "Several of the officers received commissions on business which they controlled personally, acting as licensed agents or brokers."

Mr. Slawsby believes the question in the statement should be expanded to include employees other than officers, directors and trustees.

Agents suffer from such a practice also. The lack of independence casts a blight on them. Some agents have indicated that they would no longer solicit an account with a special agent or other company man.

Mr. Slawsby wondered if it is not time for a house cleaning. It is time the agency system outgrew the practice.

Wesley Retires from Phoenix of London

George B. Wesley, general counsel of Phoenix of London group, has retired. He was given a luncheon by his associates in New York City and presented gifts by H. Lloyd Jones, U. S. manager.

Mr. Wesley joined the group in 1934 as superintendent of liability claims, became general superintendent of claims, and in 1951 advanced to general counsel.

Coincident with his retirement, promotions made by the London home office included George W. Hoefler to claims manager of the group. Mr. Hoefler joined the group in 1946 and was formerly chief claim examiner and more recently regional superintendent of claims in charge of casualty and automobile physical damage losses at the home office.

Arthur L. Benson was advanced to assistant claims manager. He joined the group in 1949 and was formerly supervisor of liability claims and field examiner in the loss department.

Richard Herman was promoted to regional superintendent of claims in charge of casualty and automobile PHD losses at the home office. He went with the group in 1951 and has been claims examiner and casualty claims superintendent.

Nationwide Installs IBM 650 with Data Transceiver

Nationwide has installed in its home office a new IBM 650 magnetic drum data processing machine whose first job will be to handle renewal premium billing. The system will transmit punched card data between the home office and 14 regional offices in the east by transmitting and receiving duplicate sets of punched cards by means of telephone, telegraph or radio circuits.

Murray D. Lincoln, president, said the new machine will increase the speed of routine processing of data, release individuals for reassignment and improve operating efficiency and service.

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55 FIFTH AVE., NEW YORK

More Legislators Get in Flood Cover Act

As expected, one effect of the tremendous damage done by floods in the extra tropical cyclone of Oct. 14-16 in the northeast has been to increase the number of national legislators asking for some kind of flood disaster insurance. President Eisenhower has notified the governors of the northeastern states that he will ask Congress for such legislation at the next session.

Reinsurers estimate that there will be enough inland marine losses of the dealer and processor floater type for several insurers that write a substantial amount of this business to tap their catastrophe IM covers. These covers were hard hit by the Connie-Diane hurricanes in August in the northeast. Reinsurers also say that automobile physical damage losses will probably reach catastrophe cover limits but they are not expecting to get enough volume of extended coverage losses to hit the wind catastrophe covers.

National Board, as it did following Connie and Diane, promptly circulated warnings of fires in flood stricken areas, particularly as a result of spontaneous heating of certain materials. It also called attention to the threat of structural collapse as a result of expansion of fibrous materials, and rules for safety in welding and cutting operations. It also circulated warnings to housewives in flood damaged homes on the use of home cleaners, the handling of electrical appliances that had been under water, etc.

N. C. Agents Study Flood Deductible

North Carolina Assn. of Insurance Agents' liaison committee is studying the possibility of deductible insurance for hurricanes and floods. The committee met at Raleigh with W. W. Noblin of Durham, association president, to discuss the effect of the recent hurricanes. Recommendations for consideration by North Carolina Fire Insurance Rating Bureau may stem from the meeting, Mr. Noblin said.

There has been considerable agitation for deductible insurance, Sherman G. Otstot, executive secretary, said. The committee plans another meeting at which disaster insurance will be discussed.

Mr. Otstot pointed out the figures of the insurance department on Hurricane Hazel in 1954 which show that insurers received premiums of \$4.5 million for extended coverage, and they have paid out losses of \$14.5 million. The department has estimated the net insured loss incurred was about \$24 million.

The state insurance advisory committee has urged that the business study the possibility of disaster insurance covering damage caused by floods, hurricanes, and earthquakes. The committee is made up of Van Wyck Webb of Winston-Salem, chairman, Hugh G. Dupree of Raleigh, Louis E. Woodbury Jr. of Wilmington, Claude Wells Jr. of Charlotte and Robert M. Senn Jr. of Greensboro.

Texas Insurance Women Elect Mrs. Lillis

TYLER, TEX.—Mrs. Lucie M. Lillis of Houston was elected president of Insurance Women of Texas at the group's three-day convention here. She succeeds Miss Nina Nolen of Corpus Christi.

Other officers elected were Mrs.

Lera Penrod of Odessa, 1st vice-president; Mrs. Mary Lou Sfair of San Antonio, 2nd vice-president; Mrs. Nan Carothers of Houston and Mrs. Isabel Martin of Austin, secretaries, and Mrs. Polly Lewis of Lubbock, treasurer.

Highlight of the convention, attended by some 200 delegates and guests, was a sales address by Max Scheid, local agent at Garland, Tex., and past executive secretary Dallas Assn. of Insurance Agents.

Afternoon sessions were devoted to workshops on education, publicity and public relations, welfare, safety pro-

grams, civil defense and fire prevention.

The federation's membership trophy was awarded to Insurance Women of Galveston for a 51% increase in membership during the past year. The travel award was won by Insurance Women of Odessa, who had 14 registrants at the convention.

The 1956 convention will be held at Odessa.

The A. Harold Weber agency of South Bend has moved to a new location at 322 West Washington avenue.

Walton Is Elected V-P of North America

North America has elected Thomas E. Walton Jr. vice-president.

He has been assistant vice-president since 1952 and joined North America group in 1938 as a student at the head office in Philadelphia and two years later was assigned to Boston as a technical representative. Later he was sent to Milwaukee. In 1947 he became manager at Hartford. He returned to the head office in 1950 when he was elected an assistant secretary.



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A real eye-opener

"For a number of years now I haven't written too much life insurance," says Harry H. McFarlin (right) of Riverdale, Maryland, Executive Vice President of the *Maryland Association of Insurance Agents*, (shown here with Dale A. Jackson, Manager of Prudential's Potomac Agency, Washington, D. C.)

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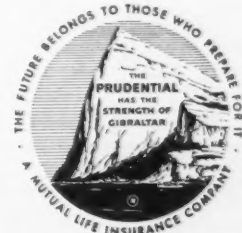
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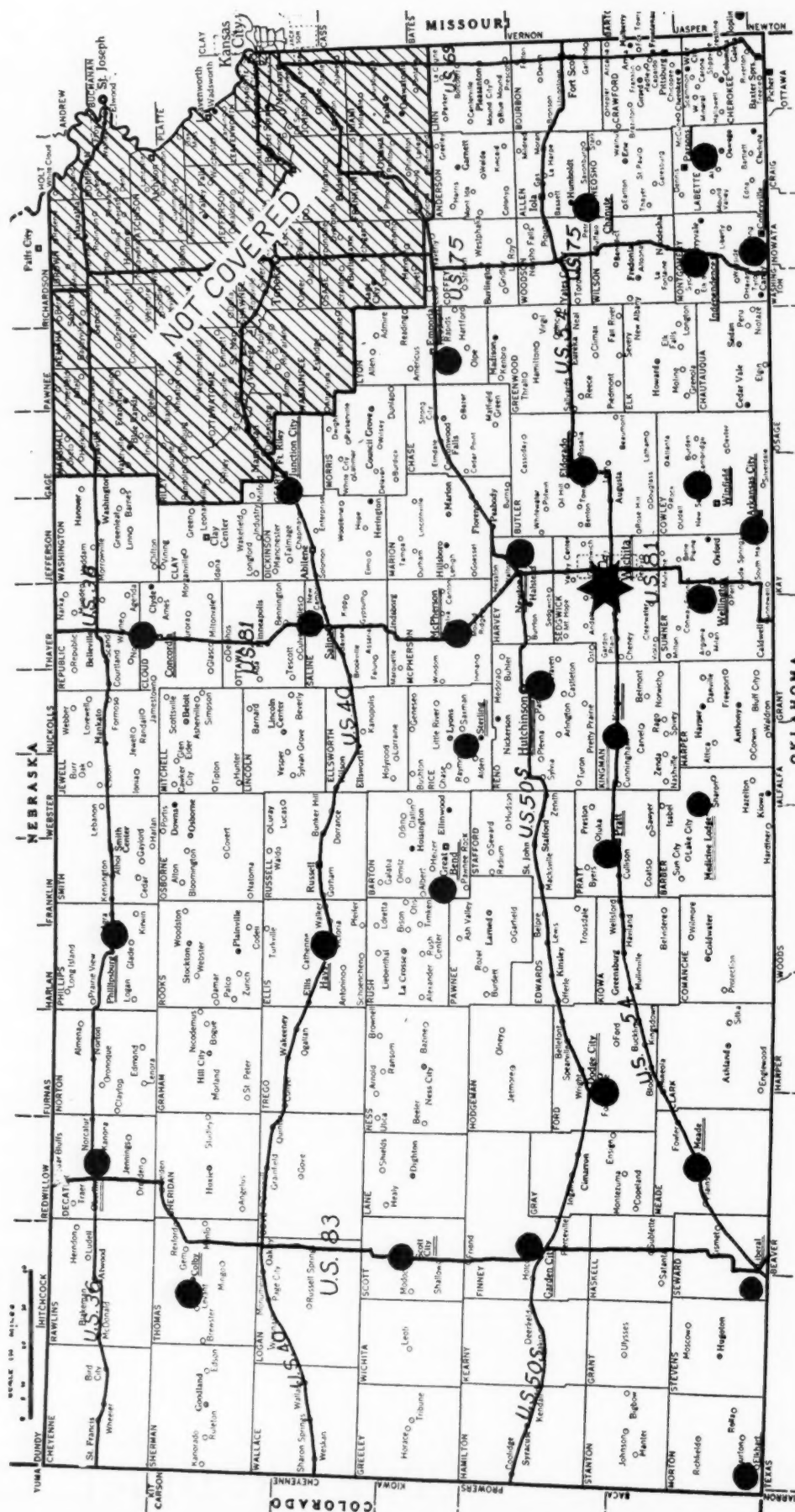
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BRANCH CLAIMS OFFICE FOR
COMPANIES A SPECIALTY

Kansans Hail Ross, NAIA President

Sees Cooperative Leadership as Cure for Insurance Ills

Ross Urges Less Emphasis on Competition; More on Leadership

The best long range interests of insurance generally and of the public will be served best if there is less emphasis upon competitive advantages that might accrue to individual insurers and their agents temporarily and a greater acceptance of the principle of leadership that grows from cooperation, Kenneth Ross of Arkansas City, Kan., said in his annual meeting of Kansas association at Kansas City, Kan.

The most recent example of the type of leadership needed was in New York where companies, working with the insurance department, developed the uninsured motorist endorsement. The companies that cooperated in the development of this new form, the local agents in New York state who were prominently in the picture and the superintendent of insurance who approved the filing all deserve the highest commendation for their broad vision, he said. It now appears to be up to the local agents in New York to prove by the sale of UM that the problem of the financially irresponsible motorist can be substantially solved by voluntary cooperative action. He expressed the hope that as soon as feasible UM cover will be made available outside New York.

Agents—and this goes for company men too—must learn again to believe in themselves and in what they are selling, he said. They must again start thinking, and talking, and believing in quality protection and above all they must start selling quality protection of which local agency service is such an integral part. If every agent who is a part of NAIA would solicit one direct writer risk each day on the basis of quality protection and the value of local agency service, there would be no real competition from direct writers within 12 months. In a substantial degree agents have defaulted and thereby assisted in the growth of the direct writers.

Agents from time to time recently, and in various ways, have been importuned on matters such as direct

(CONTINUED ON PAGE 38)

WHITE TELLS KANSAS AGENTS:

Magic of Advertising Slips Some When It Is Applied to Insurance

One of the best attended and applauded meetings of Kansas Assn. of Insurance Agents convention in Kansas City this week was the general insurance panel Tuesday morning.

Six persons appeared on the panel, including James F. White, Maryland Casualty advertising director, who originally was scheduled to speak later at a local board officers' and advertising committee luncheon. However, his appearance before the whole convention and his searching talk on the relative merits of local board advertising pleased and captivated the convention.

Advertising is a magic bucket, Mr. White said, but when the insurance business dips its fingers into that bucket it doesn't seem to come up with the same magic of success as do advertisers of soaps, cigarettes, and cars.

Why is this? It's simple, Mr. White says, "Very few people want what we got to sell, that is, in a sense of desire. People buy what we sell only when they got to have it and begrudge every cent spent for it."

There's a natural instinct for women to desire new clothes, he said, and men, he pointed out, are pretty strong on new cars. But you won't run into such an instinctive desire when selling a comprehensive liability policy.

"Advertising won't sell anybody anything he already doesn't want," Mr. White declared. He pointed out that soap manufacturers aren't selling soap, their selling their own particular brand. They already know people use soap. Liquor men never sell liquor in their ads, he said. "They sell their brand, working on the assumption that you already take a little nip now and then."

Mr. White did not scoff at the value of agency advertising but warned agents not to try to make it do more than it is capable of doing. He said the big misunderstanding of insurance advertising is that there is too much effort in trying to convert a merchandizing problem into an advertising problem.

He indicated that agents in their advertising should try to get people to think of them when they think of insurance. Sometimes, he said, you can illustrate your name with a symbol, like an agent who illustrated his initials, T.P., with the picture of a teepee.

He said the day is past when independent agents can rely on advertising to distinguish themselves from the captive agent. He suggested word-of-mouth advertising and pointed out to agents that what they are speaking so loudly that it outshouts advertising.

Mr. White explained that advertising doesn't appeal to reason but to

emotions, and the 10 basic emotions to which it appeals, he said, are pride, sex attraction, pleasure, ambition, personal affection, self preservation, desire to possess, economy (bargains), efficiency, and fear.

"Fear," he said, is about the only emotional appeal that aids the sale of fire and casualty insurance. He explained that fear, as an appeal, is accentuated by the financial responsibility laws motorists face in many states. They fear accidents without insurance and possible termination of their driving rights, he said.

Mr. White said fear may be more euphemistically called "peace of mind," which is merely the obverse side of the coin of fear.

Another speaker on the panel, John L. Mowatt Jr., agency superintendent of Aetna Fire, Park Ridge, Ill., explained the manufacturers output and homeowner policies. He said the manufacturers output policy is a contract of integrity sold mostly to blue chip accounts at a minimum premium of \$5,000. Since it covers all manufacturing output away from the premises, it has become a manufacturer's dream, with cancellation practically nil, Mr. Mowatt said.

He said the homeowners policy, with its multiple peril coverage, is experiencing electrifying results in the 37 states in which it is entered.

M. D. Crown, assistant secretary of Western Casualty & Surety of Fort Scott, told of changes in workmen's compensation, pointing out that all business operations are now covered whether declared or undeclared, whereas originally, only declared operations were covered. He said many endorsements have been eliminated, paving the way for simplicity and less administrative expense.

He said small compensation policies have been extended from one to three-year contracts, thus further cutting expense. Mr. Crown said broadening of benefits under compensation law can be expected because it is a social law in a changing society.

Arthur M. O'Connell, agent at Cincinnati and NAIA executive committee member, said the independent agents face the specter of losing the auto business, so important to the livelihood of many agents.

He suggested as remedies quality service and merchandise, even the exploration of non-cancellable automobile policies.

Larry A. Magill, manager of Kansas Inspection Bureau at Topeka, and Russell R. Brown, fire and casualty rate supervisor of Kansas department, were on the panel but because of the press of time decided to forego delivery of their talks.

Native Son Gives First Address in His New Role

Dean Mathews Takes Helm for 1956; Paul C. Yankey Named President-Elect

By RICHARD J. DONAHUE

KANSAS CITY—Kansas Assn. of Insurance Agents convention this week



Paul H. Heinz Jr.

was assured success and special significance by the presence here of Kenneth Ross, Arkansas City, recently elected president of National Association and only Kansan ever to have attained that distinction.

Mr. Ross was one of the first to register and was saluted loudly by a large turnout of approximately 600 persons. He was given a standing ovation at a kick-off luncheon Monday and again Monday afternoon when he arose as first speaker at the first general session.

Mr. Ross called for cooperation among agents and companies alike, pointing out that "leadership is cooperation." Companies do not want to be led by agents and agents do not want to be led by companies, he said. His talk is reported elsewhere in this issue.

Dean Mathews, Ashland, president-elect, was installed as 1956 president of Kansas association Tuesday night during one of the concluding events of the convention. He succeeds Paul H. Heinz Jr., Topeka. Other new officers include Paul C. Yankey Jr., Wichita, president-elect in line for the 1957 presidency, and Donald Schulze, Kansas City, secretary, succeeding Gilbert Henry, also of Kansas City. Charles G. Blakely III, Topeka, continues as treasurer.

The turnout of about 600 persons was termed especially good for a convention in Kansas City, a community with relatively limited hotel accommodations and over 400 miles from the western part of the state. The new Town House hotel, convention headquarters, is the only sizable hotel in Kansas City.

The new executive committee is considering Wichita as a permanent site for future conventions because of its more central location in the state and its greater facilities both in hotel rooms and meeting halls.

The convention voted favorably on

(CONTINUED ON PAGE 38)

T. M. Hussey
James I. Egly

HUSSEY & HUSSEY
GENERAL AGENTS

TOPEKA

KANSAS

American Home Assurance — Century Indemnity — Franklin National — Standard of N. Y. — Trinity Universal — Western Assurance

Lloyd Elliott
Wendell Strom
Gerald J. Ford

a proposal to increase its executive committee from a present 12 to 15 members as a means of offering better service throughout the state from a geographical standpoint.

The theme of "Selling Your Service" prevailed throughout the convention with frequent exhortations that agents not only meet the current competition of direct writers but also create competition. Mr. Heinz said, "If the American agency system is to survive, it is up to the local agent himself to see that it survives."

He suggested an end to "sitting around being confused by a multiplicity of forms." And in its stead "getting out and going to work."

Kent H. Parker, manager of Western Actuarial Bureau, Chicago, outlined the phases of technical services offered by the bureau at the general session Monday afternoon. "Our work can be divided into about five major categories," he said. They are: Schedule making; engineering analysis of features of construction, protection and occupancy as to their effect on hazard; actuarial and statistical services; development of forms and rules for fire and allied peril coverages, including the preparation of uniform forms, and general consulting services on any matters where we can assist the state inspection or rating bureau.

Committee reports were brief, limited in number and to the point. Mr. Heinz, in the president's report, congratulated members for their "cooper-

ation whenever called upon to work." He saluted Laurin Jones, Dodge City local agent, state senator and chairman of the association's legislative committee, for his untiring, yet unsuccessful attempt to secure passage by the Kansas legislature of an agents' qualification act. It was explained that opposition to this bill came strenuously from local life and local mutual casualty companies.

It was feared a year or two ago by some that a new dues schedule for membership in the association would cause at least 100 agents to drop out. The new schedule which increases dues from a \$10 minimum to \$25 has been in effect now the past year and the gloomy predictions on membership proved unfounded. The Kansas association still remains large. As of September, 1954, membership was an all time high of 592 and as of October this year membership was down only 15 to a total of 577.

"I believe that though we are some 15 fewer," Mr. Heinz said, "we are much stronger in every way as an association and can by the end of next year again be pushing the 600 mark."

Mr. Heinz said that George Kaufman, Salina, and his education committee moved to the forefront this year by bringing into existence the finest property and casualty courses ever sponsored by the association. The course was held at Kansas university.

The conference committee, guided

by George Bacon, Eldorado, and assisted by Mr. Ross and Howard Fullington, Wichita, has again distinguished itself with a year of many accomplishments, Mr. Heinz said.

"This committee," he said, "is the very heart and soul of your association, in carrying out its object as set forth by its constitution. This is not a committee for selfish men. The demands made upon its members for time, work and study are far too great."

The entire convention was permeated by a fraternal attitude, sincerity and sobriety. Agents applauded the congenial generosity of the more than 60 companies that maintained hospitality headquarters in the hotel.

The traditional and popular coffee bar was maintained by Fidelity & Deposit of Maryland in a lower lobby under the supervision of Carroll Herwig and Maurice Ramsey, resident vice-president and manager respectively at Kansas City, Mo.

Convention sessions usually began on time and if a few minutes late were speeded up a little to end on time. Events moved along swiftly enough to keep weary yawns to a minimum. Gen. Frank Dunkley, Topeka, executive-manager of the association, and Cheney Prouty, Kansas City, general chairman, were constantly on the move to keep things running smoothly.

William L. Kline, Hutchinson, in his state national director's report, discussed briefly a number of current insurance problems of significance, including flood and atomic energy coverage. He said agents throughout the country are willing to cooperate with the federal government in solving the flood problem and added, "it is certain we will have a place in whatever program is worked out. The atom field," he said, "is developing so rapidly that we all are soon to be concerned."

Several resolutions introduced by Joseph Moddrell, Wichita, chairman of the resolutions committee, were adopted by the convention Tuesday. One of these asked the Kansas legislature to prohibit alien government owned or controlled insurance companies from being licensed to do business in Kansas.

Another favored national association's consideration of some designation or symbol for independent agents to be used on a national scope and urged the national association to expedite such study and come to a decision in the near future.

A sizable number of conventioners were up with the Kansas sun at 7 a.m. Tuesday for the popular rural agents' breakfast presided over by Alex Case, Marion. Speakers were Harlan W. Wyant, farm and hail assistant manager of Great American, and Mr. Kline, who discussed farm liability briefly.

A general insurance panel on Tuesday was moderated by Harry Tinklepaugh, Kansas City.

"How to Increase Your Profits" by Robert Burns, president of American Agency Management Bureau, Washington, D.C., proved a popular topic at Tuesday afternoon's general session.

Past presidents were honored at a dinner Monday night presided over by Harry P. Bouck, editor of *The Insurance Magazine*, official organ of Kansas association.

The convention not only opened but also closed with salutes to Mr. Ross. He and his wife were honored at a reception Tuesday evening and after-

wards he presided at installation of officers.

The president's ball at 9:30 p.m. Tuesday closed the convention. Russ Carlyle's orchestra provided dance music. Entertainment Monday night featured the Kansas University Chorus.

Cooperative Leadership Seen as Cure for Ills

(CONTINUED FROM PAGE 37)

billing, six-month policies, and the like, as means of meeting direct writer competition. If the most prominent direct writer in the automobile field can realize so little in expense savings by eliminating the local agent and local agency service, he wonders if the problem isn't more basic than who does the

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The Meade COMPANY Insurance

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Telephone Ha. 7373
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GENERAL AGENTS
MISSOURI—KANSAS
1009 BALTIMORE AVE.
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OFFERING OUTSTANDING
COMPANY FACILITIES

We Operate Exclusively
Through Local Agents
Ted Rhodus—General Agent
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KANSAS UNDERWRITERS

State and General Agents
KANSAS, OKLAHOMA
and
WESTERN MISSOURI

Fire, Casualty and Inland Marine

Specializing In All Casualty Lines

Thirty-Four Years of One-Day Service

Attractive Contracts for Qualified Agents

WICHITA, Kansas

THE KIRK GENERAL AGENCY
Insurance Managers
OF KANSAS—FOR KANSANS
Tel. 23793—532 KANSAS AVENUE
TOPEKA, KANSAS



bookkeeping or billing or who licks the stamps.

On another broad front, competition is developing as a result of the sometimes peculiar results of the exercise of multiple line underwriting powers. Few agents ever dreamed that from the enactment of multiple line underwriting legislation would come more dwelling policies and forms than they can count. He doubts that 10 years ago anyone ever dreamed of a manufacturer's output policy or a merchandise block policy which by the judicious addition of burglary and theft, transit and all-risk location coverages to the fire and extended coverage policy can be sold at a rate less than the fire and extended coverage rate.

As an agent, Mr. Ross said he likes improved coverages to sell if they offer better protection by his clients. Much as agents like new coverage, they much more like to have their companies operate at a profit because, in the long run, agents can operate at a profit only if their principals operate at a profit. Consequently, they do not want to see the companies trying to out-do each other in offering new broad coverages that are almost certain to produce an underwriting loss—nor do they want to see them engaged in a contest to gain individual competitive advantages. They know that such advantages are only temporary at best and perhaps quite costly if adopted generally.

Kansas Rural Agents Enter Bid For New Farm Rate System

KANSAS CITY—Rural agents at the Kansas Assn. of Insurance Agents meeting in Kansas City this week enthusiastically indicated that they, too, desire to try the new farm rate schedule for fire and EC now in existence in Minnesota.

J. E. Cryan, president of Farm Underwriting Assn., Chicago, told the early breakfast meeting Tuesday that the demand for the new schedule of lower rates for superior type farm buildings in Minnesota is "moving faster than we ever have dreamed of. We're enthusiastic about it and expect a lower loss ratio."

Of the approximate 75 conventioners up at sunrise for the 7 a.m. rural agents breakfast, almost all, by a showing of hands, expressed a desire that a special farm rate schedule be entered in Kansas.

An agent from Chanute crystalized the Kansas rural agents bid for a system that would separate good and bad farm risks. He called attention to a 70% rate increase in farm outbuildings and said, "favorable rate consideration for superior type farm building is imperative."

"Naturally, if this plan is good in one state, other states will want it and no doubt it will be coming your way in the near future," Harlan W. Wyant, manager of farm and hail for Great American, assured the rural agents.

Farm Underwriters Assn. recommended the credits in Minnesota, Mr. Wyant explained, so that the farmer, who has a good set of improvements and has heretofore been subject to the

same rates as his neighbor across the road who has not kept up his property, can receive a rate that reflects this difference in construction and maintenance.

"Under this new rating system," he said, "the agent will be required to

visit the farm when filling out the application. There is no change in the application but in writing insurance on this better class of business, there is a survey sheet on which verifications of special rates if filed in; the credits are listed, and it is a very

simple form, pictures of the buildings must be submitted with the application to establish a basis for the credits.

Alex Case, Marion, presided at the breakfast meeting and William L. Kline, Hutchinson, made a few comments on farm liability.

A "POLICY" That Never Changes

WESTERN INSURANCE POLICIES are subject to constant change, meeting the condition of the times and providing better protection, always at the best possible rate.

But there is a Western policy, just as important, that never changes. For forty-five years we have made one of our primary policies that of friendly helpfulness to our agents . . . and service second to none.

This is our unchanging "Policy" for agents!

Operating In 37 States With Nation-Wide Claim Service

THE WESTERN COMPANIES
THE WESTERN CASUALTY AND SURETY COMPANY
THE WESTERN FIRE INSURANCE COMPANY

EXECUTIVE OFFICES
916 Walnut, Kansas City 6, Mo.



HOME OFFICE
Western Bldg., Fort Scott, Kansas

WHEELER-KELLY-HAGNY COMPANY

120 SO. MARKET ST.

PHONE AM 2-1414

WICHITA, KANSAS

INSURANCE—ALL KINDS

WUA Tries New Kind of Meeting at White Sulphur

(CONTINUED FROM PAGE 1)

Association, and the WUA staff. Another innovation at this meeting was the attendance of two managers of midwest inspection bureaus. On hand this time were the two deans of midwest bureaus, Paul W. Terry, general manager of Missouri Inspection Bureau, and Roy E. Julian, manager of Ohio Inspection Bureau. It is anticipated that each year two of the midwest bureau managers will attend the WUA functions.

The report of the governing committee included a comment on the status of the WUA two-year scholarship program at Illinois Tech. It was noted that 22 scholarships were awarded this year by western departments of 10 companies to young men from 10 states. Interest in the program, the report said, is due largely to the activities of field men. Since the scholarship program started in 1949, 40 men have graduated and joined the western departments of their sponsoring WUA companies.

The governing committee also made note of a study of the tornado at Udall, Kan., early this year, comparing it with a similar study of the storm in 1953 at Hebron, Neb. The figures showed the amount of insurance coverage to be less than needed. For example, at Udall, the dwelling coverage was 65% of insurable value and 48% of replacement cost; household furniture was 49% of insurable value and 37% of replacement cost, and mercantile buildings were insured to 60% of insurable value with 43% of replacement cost.

"Udall demonstrates even more emphatically than Hebron that our agency forces are still not selling sufficient protection to their customers," the governing committee said. "It behooves us to recognize the need of conducting a never-ending campaign among our field men as well as producers to see that proper insurance to value is written."

The governing committee also commented on the plan to hold an internal office procedures workshop forum later this year in Chicago. Several subcommittees already have been in action and have had meetings on such topics as work flow, accounting and tabulating, loss department programming, and filing and mailing room methods. The plan is to interchange

information of such procedures, and the sub-committee meetings have demonstrated the value of such conferences already.

R. D. Barton, executive engineer of Underwriters Laboratories, gave a talk at one of the general sessions on recent developments as respects fire doors.

Some of the eastern members were unable to attend the White Sulphur meeting because of the floods in the east, and some of the other easterners arrived a day late because of transportation difficulties arising from the floods.

Jackson Tells Progress in Insuring Atom Risk

(CONTINUED FROM PAGE 4)

inness faces in insuring the risks of atomic energy use.

It is estimated that a commercial power producing reactor of say 150,000 k. w. capacity will accumulate some 400 pounds of fission products a year, thousands of times more toxic than, say, 250 tons of chlorine, generally considered a major industrial hazard. It is the radioactivity associated with fission products which creates the major hazard in the atomic energy industry, rather than blast and heat, as commonly but wrongly supposed, he said.

Much information and experience has been accumulated by government and industry, but until the insurance business achieves further insight into the nature and effects of radiation, particularly on the living cell, it will be difficult to evaluate the hazard sufficiently to devise a sound scheme of insurance.

Capacity is another major problem, he said. The catastrophe potential here is more serious than anything now known in the insurance business. But unfortunately this potential is remote, he said. Atomic installations have had a remarkable safety record, primarily due to a constant concern with and attention to the basic design of the reactors themselves, with built-in devices in no way dependent on human action, careful indoctrination and training of reactor operators, and the policy of physical containment of reactors. Yet the potential hazard of catastrophe remains, and it will take experience of years for the insurance business to evaluate the risk in a way comparable to data developed in other fields.

Another complicating factor related to capacity has been the failure of the atomic energy industry itself to state on any sound basis the amount of coverage it needs, he said. There has been considerable talk and speculation concerning upper limits, but generally the requirement is expressed in general terms, such as "provided adequate insurance is obtainable at reasonable rates." This is not a criticism. The same factors which present problems to the insurance business create difficulties for the atomic energy industry. But until the amount of coverage required is determined in dollars, the insurance business cannot reach any conclusion with respect to its capacity to provide such coverage. This business must take a bold, aggressive step, but the atomic energy industry must also begin to translate its general demands into specific requirements, he declared.

There are other problems, he said of pooling and participation, between property and liability insurance and between stock and mutual companies,

Program Ready for Mutual Alliance Rally at Chicago

The program for the annual meeting of American Mutual Alliance, to be conducted Oct. 31-Nov. 2 at Chicago, has been completed. National Assn. of Automotive Mutual Insurance Companies and National Assn. of Mutual Casualty Companies will have their annual meetings at the same time.

At the opening session Oct. 31 there will be a discussion of problems growing out of FTC proceedings against the A&H companies, with Wade O. Martin, Louisiana commissioner, giving a talk entitled "The States and the Federal Trade Commission—Let's Draw the Line."

Coercion of insurance coverage by mortgagors and others will be discussed by E. A. Foote, first assistant of the anti-trust division of the Department of Justice, to wind up the morning session, and in the afternoon the speakers will be H. L. Toser, vice-president of Hardware Mutuals, Stevens Point, on marketing trends; H. C. Foster, Utica Mutual, on coverage trends; H. J. Ginsburgh, American Mutual Liability, on loss and expense trends. Trends in industrial loss of hearing will be analyzed by F. E. Frazier of National Assn. of Mutual Casualty Companies.

A. L. Papenfuss, vice-president of Employers Mutuals of Wausau; M. B. Weber, vice-president of Lumbermen's Mutual Casualty, and H. W. Yount, vice-president of Liberty Mutual, will outline the prospects and difficulties in insuring the peace-time use of atomic energy.

A talk on the business outlook in relation to insurance will be given by Henry H. Heimann, executive vice-president of National Assn. of Credit Men.

At another session, T. A. Duckworth, Employers Mutuals, and M. S. Hughey, Lumbermen's Mutual Casualty, will discuss problems in insurance office management and personnel.

Reinsurance will be taken up by James R. Kitch, president of Security Mutual Casualty, and package policies for home owners will be handled by a panel consisting of F. K. Young, Federated Mutual Implement & Hardware, chairman, and J. P. Gibson, American Mutual Reinsurance; D. T. Hawkins, Mutual Loss Research Bureau, and T. L. Osborn Jr., Manufacturers Mutual.

Director McCarthy of Illinois is scheduled to open the meeting with an address of welcome, and at the luncheon Nov. 1 the speaker will be Gov. A. D. Langlie of Washington, who will discuss the program in his state for reducing traffic fatalities.

U.S. Spends \$2.2 Billion on Health
American Medical Assn., in a compilation of federal government expenditures for health purposes, reports that they will total \$2.2 billion during the current fiscal year. This is an in-

subrogation of third party property claims against the owner of a reactor which would have the effect of holding the total insurance market to the limit of liability insurance, separating the normal risks from those with peculiarly atomic aspects, etc.

These problems, however, seem capable of solution within the business and Mr. Jackson thinks they will be solved without undue delay.

HIC HOLDS ANNUAL

Uniform Health Claim Form Gains in Popularity

Increasing company use of uniform claim reporting forms in connection with health insurance was reported at the annual meeting of Health Insurance Council in New York, presided over by Chairman John H. Miller, Monarch Life.

The forms, applicable to all types of health insurance policies, have been endorsed by American Hospital Assn. and American Medical Assn., as well as the council. A booklet describing the form is now being prepared and will be distributed amongst A&H companies represented in the council, as well as physicians and hospitals, according to Carroll McBride, Travelers, chairman of the forms committee.

Dr. W. H. Scoins, Lincoln National, chairman of the medical relations committee, said a speakers' kit for home office and field use is nearly completed. A modification of the identification and claim form for group, designed for use with extended medical care coverage, has been released by the hospital relations committee, Howard Moreen, Aetna, chairman, reported. The admissions programs for individual hospital insurance policyholders are operating in five cities and additional programs are being set up in cooperation with local hospital groups.

A two-year study of the uniform nomenclature schedule for surgical procedures is nearly complete, M. D. Miller, Equitable Society, chairman of the technical advisory committee, announced. It will be released to insurers and other interested groups shortly. The schedule concerns only a uniform listing of surgical procedures, together with descriptive lay terms, and does not involve fee amounts.

Increased use of the survey on A&H coverages by both the daily and the medical-hospital press was reported by Henry Locke, Liberty Mutual, chairman of the survey committee.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Oct. 25, 1955

	Bid	Asked
Aetna Casualty	155	160
Aetna Fire	67	69
Aetna Life	216	220
Agricultural	34½	35½
American Equitable	36½	38
American Auto	27	28½
American, (N.J.)	29	30
American Motorists	19½	21
American Surety	89	91
Boston	36	37½
Camden Fire	26	27
Continental Casualty	117	121
Crum & Forster com.	61½	65
Federal	37	38
Fire Association	52½	54
Fireman's Fund	65	67
Firemen's, (N.J.)	38½	39½
General Reinsurance	47	49½
Glens Falls	67½	69
Globe & Republic	21	22
Great American Fire	57	58½
Hartford Fire	150	153
Hanover Fire	44	45½
Home (N.Y.)	46½	47½
Ins. Co. of No. America	107	109
Maryland Casualty	37	38½
Mass. Bonding	41½	43
National Casualty	52	54
National Fire	93	95
National Union	43½	45
New Amsterdam Cas.	48½	50
New Hampshire	43½	45½
North River	37	39
Ohio Casualty	93	95
Phoenix Conn.	78	82
Prov. Wash.	25½	26½
St. Paul F. & M.	53	57
Security, Conn.	45½	47
Springfield F. & M.	57½	58½
Standard Accident	55½	57½
Travelers	86	87½
U.S.F. & G.	69	71
U.S. Fire	27	28½

DEATHS

(CONTINUED FROM PAGE 1)

and Illinois Commercial Men's for more than 50 years, died at Resurrection hospital, Park Ridge, Ill. He had been president of Illinois Commercial Men's since 1945 and had been active in both companies until several weeks prior to his death.

FRED L. WRIGHT, 68, veteran local agent of Bad Axe, Mich., died in Hubbard Memorial hospital after a brief illness. Mr. Wright became associated with his father, the late Allison L. Wright, in the Wright agency in 1911 and continued with the agency organization throughout his lifetime. He purchased the agency in 1923 and sold it in 1954 but had continued as a solicitor and in an advisory capacity to the present owners.

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26 1/4
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47
58 1/2
57 1/2
87 1/4
71
28 1/4

A Number of Reasons

Why you should call...



**for GLASS
replacement**

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MOhawk 4-1100

the next time
you have a
glass replacement
problem.

WE'LL DO THE REST!

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Chicago Association
of Commerce

Normand Beris, President

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Chicago Better
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American Glass Company
1030-42 NORTH BRANCH STREET-CHICAGO

"Recognition Merited by Our Service"

1. SPEED So proud are we of our reputation for efficient glass replacement service that we make every possible effort to be on the job promptly, at any time, rain or shine, day or night.

2. DEPENDABILITY Your assureds will be happy with the dependable service rendered them by AMERICAN GLASS. This service is backed up by years of experience, experience that means inspection, research and replacement know-how that is sure to please.

3. ACCURACY There is never a "lick-and-a-promise" when AMERICAN goes into action on a replacement job. From a small board-up to installation of a giant show window, the job is carefully done, insuring against call-backs or complaints.

4. EXPERIENCE Our replacement crews are not only carefully trained in the details of glass handling, but have many years of all-important actual experience behind them. This knowledge gained over a long period of time is an important part of our service.

5. SATISFACTION The aim of every one in business is to please the customer so that he will buy again. By calling AMERICAN GLASS for your glass replacement, you will insure renewal of your clients' coverage. His satisfaction through AMERICAN GLASS service will benefit you!

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 3,807,806.80	Reserve for Losses	\$ 16,918,000.49
Mortgage Loans on Real Estate	953,829.49	Reserve for Loss Expenses	1,516,210.00
Bonds and Stocks	155,874,898.18	Reserve for Unearned Premiums	53,802,706.05
Interest due and accrued	167,388.93	Reserve for Taxes and Expenses	2,043,389.98
Agents and Departmental Balances	4,752,931.47	Funds held under Reinsurance Treaties	8,023,156.81
Real Estate	3,086,000.00	All other Liabilities	830,582.01
Equity in Marine and Foreign Insurance Pools	8,922,570.24	Capital	15,000,000.00
All other Assets	1,447,167.79	Net Surplus	80,878,547.56
Total admitted Assets	\$179,012,592.90	Total	\$179,012,592.90

SURPLUS TO POLICYHOLDERS \$95,878,547.56

Securities carried at \$3,290,509 in the above statement are deposited as required by law.

GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 324,812.04	Reserve for Losses	\$ 1,767,552.29
Mortgage Loans on Real Estate	1,587.22	Reserve for Loss Expenses	158,410.00
Bonds and Stocks	13,682,617.35	Reserve for Unearned Premiums	5,990,152.03
Interest due and accrued	37,449.56	Reserve for Taxes and Expenses	218,210.00
Agents and Departmental Balances	549,481.52	All other Liabilities	16,647.11
Real Estate	150,000.00	Capital	1,000,000.00
All other Assets	223,026.88	Net Surplus	5,818,003.14
Total admitted Assets	\$14,968,974.57	Total	\$14,968,974.57

SURPLUS TO POLICYHOLDERS \$6,818,003.14

Securities carried at \$795,921 in the above statement are deposited as required by law.

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 680,023.96	Reserve for Losses	\$ 1,767,552.29
Bonds and Stocks	13,043,157.07	Reserve for Loss Expenses	158,410.00
Interest due and accrued	30,204.44	Reserve for Unearned Premiums	5,621,178.24
Agents and Departmental Balances	1,949,089.76	Reserve for Taxes and Expenses	217,010.00
Real Estate	66,000.00	All other Liabilities	143,355.35
All other Assets	73,741.45	Capital	1,000,000.00
Total admitted Assets	\$15,842,216.68	Net Surplus	6,934,710.80
		Total	\$15,842,216.68

SURPLUS TO POLICYHOLDERS \$7,934,710.80

Securities carried at \$1,822,477 in the above statement are deposited as required by law.

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 414,063.82	Reserve for Losses	\$ 4,797,641.93
Mortgage Loans on Real Estate	341,125.62	Reserve for Loss Expenses	429,970.00
Bonds and Stocks	37,241,875.34	Reserve for Unearned Premiums	15,257,483.80
Interest due and accrued	64,825.93	Reserve for Taxes and Expenses	593,570.00
Agents and Departmental Balances	3,076,329.33	All other Liabilities	61,930.64
Real Estate	150,000.00	Capital	3,000,000.00
All other Assets	169,171.28	Net Surplus	17,166,794.95
Total admitted Assets	\$41,307,391.32	Total	\$41,307,391.32

SURPLUS TO POLICYHOLDERS \$20,166,794.95

Securities carried at \$2,754,310 in the above statement are deposited as required by law.

ROYAL GENERAL INSURANCE COMPANY OF CANADA

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 16,050.06	Reserve for Taxes and Expenses	\$ 3,863.32
Bonds and Stocks	404,720.00	Capital	100,000.00
Interest Due and Accrued	2,904.58	Net Surplus	350,415.93
Agents and Departmental Balances	30,604.61		
Total admitted Assets	\$454,279.25	Total	\$454,279.25

SURPLUS TO POLICYHOLDERS \$450,415.93

Securities carried at \$55,802 in the above statement are deposited as required by law.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,192,957.75	Reserve for Losses	\$ 18,266,637.50
Mortgage Loans on Real Estate	52,668.63	Reserve for Loss Expenses	1,878,775.00
Bonds and Stocks	46,831,032.27	Reserve for Unearned Premiums	14,818,502.75
Interest due and accrued	129,074.23	Reserve for Taxes and Expenses	1,428,986.73
Agents and Departmental Balances	4,448,971.92	Funds held under Reinsurance Treaties	263,540.22
Equity in Marine and Foreign Insurance Pools	131,211.80	All other Liabilities	113,860.34
All other Assets	191,657.78	Capital	2,000,000.00
Total admitted Assets	\$52,977,574.38	Net Surplus	14,207,271.84
		Total	\$52,977,574.38

SURPLUS TO POLICYHOLDERS \$16,207,271.84

Securities carried at \$4,440,750 in the above statement are deposited as required by law.

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,029,385.81	Reserve for Losses	\$ 22,479,011.00
Mortgage Loans on Real Estate	447,012.98	Reserve for Loss Expenses	2,240,947.00
Bonds and Stocks	55,260,072.59	Reserve for Unearned Premiums	17,323,404.31
Interest due and accrued	124,846.78	Reserve for Taxes and Expenses	1,245,916.41
Agents and Departmental Balances	4,616,631.15	Funds held under Reinsurance Treaties	704,439.64
Equity in Marine and Foreign Insurance Pools	131,211.80	All other Liabilities	181,720.92
All other Assets	342,316.04	Capital	2,000,000.00
Total admitted Assets	\$61,951,477.15	Net Surplus	15,776,037.87
		Total	\$61,951,477.15

SURPLUS TO POLICYHOLDERS \$17,776,037.87

Securities carried at \$1,692,141 in the above statement are deposited as required by law.

Western Department
120 So. LaSalle St., Chicago 3, Illinois

Southwestern Department
912 Commerce St., Dallas 22, Texas

HOME OFFICE
10 PARK PLACE, NEWARK 1, NEW JERSEY

Foreign Department
102 Maiden Lane, New York 5, New York

Pacific Department
220 Bush St., San Francisco 6, Calif.

Canadian Departments
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.